

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

ALUMINUM COMPANY OF AMERICA  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)  
PENNSYLVANIA 25-0317820  
(STATE OF INCORPORATION) (I.R.S. EMPLOYER IDENTIFICATION NO.)

ALCOA TRUST I  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)  
DELAWARE APPLIED FOR  
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION) (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

425 SIXTH AVENUE, ALCOA BUILDING,  
PITTSBURGH, PENNSYLVANIA 15219-1850  
(412) 553-4545  
(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)

LAWRENCE R. PURTELL, EXECUTIVE VICE PRESIDENT--ENVIRONMENT, HEALTH AND SAFETY  
AND GENERAL COUNSEL  
425 SIXTH AVENUE, ALCOA BUILDING,  
PITTSBURGH, PENNSYLVANIA 15219-1850  
(412) 553-3875  
(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

WITH COPIES TO:

VINCENT J. PISANO, ESQ. SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP 919 THIRD AVENUE NEW YORK, NEW YORK 10022 (212) 735-3000	JOHN W. WHITE, ESQ. CRAVATH, SWAINE & MOORE 825 EIGHTH AVENUE NEW YORK, NEW YORK 10019 (212) 474-1000
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement, as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE(3)
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Debt Securities of  
Aluminum Company of  
America (the  
"Company")(5).....

Warrants to purchase  
Senior Debt Securities  
of the Company(6).....

Class B Serial Preferred

Stock of the Company(7).....	(4)	(4)	(4)	(4)
Common Stock, \$1.00 par value, of the Company(8).....				
Trust Preferred Securities of Alcoa Trust I(9).....				
Guarantee of Preferred Securities of Alcoa Trust I by the Company(10).....				
Total.....	\$1,050,000,000(11)	100%	\$1,050,000,000(11)	\$309,750(3)

(footnotes on next page)

PURSUANT TO RULE 429 UNDER THE SECURITIES ACT, THE PROSPECTUS INCLUDED IN THIS REGISTRATION STATEMENT ALSO RELATES TO \$150,000,000 OF SECURITIES PREVIOUSLY REGISTERED UNDER THE COMPANY'S REGISTRATION STATEMENT ON FORM S-3 (NO. 33-60045), AND \$300,000,000 OF SECURITIES PREVIOUSLY REGISTERED UNDER THE COMPANY'S REGISTRATION STATEMENT ON FORM S-3 (NO. 33-64353). THIS REGISTRATION STATEMENT CONSTITUTES POST-EFFECTIVE AMENDMENT NO. 1 TO THE COMPANY'S REGISTRATION STATEMENT ON FORM S-3 (NO. 33-64353) AND POST-EFFECTIVE AMENDMENT NO. 2 TO THE COMPANY'S REGISTRATION STATEMENT ON FORM S-3 (NO. 33-60045).

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

(footnotes from previous page)

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- (1) The proposed maximum offering price per unit will be determined from time to time by the Registrants in connection with the issuance by the Registrants of the securities registered hereunder.
  - (2) The proposed maximum aggregate offering price has been estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act.
  - (3) The amount of securities eligible to be sold under prior registration statements to be carried forward to this Registration Statement is \$450,000,000. The amount of the filing fee associated with such securities that was previously paid with the prior registration statements was \$155,172.42.
  - (4) Not applicable pursuant to General Instruction II.D. of Form S-3.
  - (5) Subject to note (11) below, there is being registered hereunder an indeterminate principal amount of Debt Securities of the Company as may be sold from time to time. If any Debt Securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed \$1,500,000,000.
  - (6) Subject to note (11) below, there is being registered hereunder an indeterminate number of Warrants to be issued from time to time.
  - (7) Subject to note (11) below, there is being registered hereunder an indeterminate number of shares of Class B Serial Preferred Stock of the Company as may be sold, from time to time.
  - (8) Subject to note (11) below, there is being registered hereunder an indeterminate number of shares of Common Stock of the Company as shall be issuable upon conversion of Debt Securities or Class B Serial Preferred Stock of the Company or Trust Preferred Securities of Alcoa Trust I being registered hereunder, to the extent any of such securities are by their terms convertible into or exchangeable for Common Stock, plus such additional shares as may be issued pursuant to anti-dilution adjustments.
  - (9) Subject to note (11) below, there is being registered hereunder an indeterminate amount and number of Trust Preferred Securities of Alcoa Trust I (the "Trust Preferred Securities") as may be sold from time to time.
  - (10) No separate consideration will be received for the Guarantee of the Trust Preferred Securities (the "Guarantee"). The Guarantee includes the rights of holders of Trust Preferred Securities under the Guarantee and certain back-up undertakings, as described in the Registration Statement.
  - (11) In no event will the aggregate offering price of all securities issued from time to time pursuant to this Registration Statement exceed \$1,500,000,000 or the equivalent thereof in one or more foreign currencies, foreign currency units or composite currencies. The aggregate amount of Common Stock of the Company registered hereunder is further limited to that which is permissible under Rule 415(a)(4) under the Securities Act. The securities registered hereunder may be sold separately or as units with other securities registered hereunder.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +  
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +  
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +  
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +  
+BECOMES EFFECTIVE. THIS PRELIMINARY PROSPECTUS SHALL NOT CONSTITUTE AN OFFER +  
+TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF +  
+THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD +  
+BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS +  
+OF ANY SUCH STATE. +  
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SUBJECT TO COMPLETION DATED JULY 17, 1998

LOGO \$1,500,000,000  
ALUMINUM COMPANY OF AMERICA  
DEBT SECURITIES,  
WARRANTS TO PURCHASE SENIOR DEBT SECURITIES,  
PREFERRED STOCK AND COMMON STOCK  
ALCOA TRUST I  
TRUST PREFERRED SECURITIES FULLY AND UNCONDITIONALLY  
GUARANTEED BY ALUMINUM COMPANY OF AMERICA

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Aluminum Company of America, a Pennsylvania corporation (the "Company" or "Alcoa"), may issue from time to time, together or separately up to an aggregate initial offering price of \$1,500,000,000 of its (i) unsecured senior debt securities (the "Senior Debt Securities"), (ii) unsecured subordinated debt securities (the "Subordinated Debt Securities" and, together with the Senior Debt Securities, the "Debt Securities"), (iii) warrants to purchase Senior Debt Securities (the "Warrants"), (iv) Class B Serial Preferred Stock (the "Preferred Stock" or "Class B Stock") in one or more series, and (v) shares of common stock, \$1.00 par value, of the Company (the "Common Stock") issuable only upon conversion of securities which are, pursuant to the terms thereof, convertible into shares of Common Stock. The Debt Securities, Preferred Stock and Warrants may be offered independently or together in any combination for sale directly to purchasers or through dealers, underwriters or agents designated and in amounts, at prices and on terms to be determined by market conditions at the time of the offering. The Debt Securities, Warrants, Preferred Stock and Common Stock are referred to herein collectively as the "Company Securities."

Alcoa Trust I (the "Alcoa Trust"), a statutory business trust formed under Delaware law, may offer, from time to time, preferred securities (the "Trust Preferred Securities") with the payment of dividends and payments on liquidation or redemption of the Trust Preferred Securities issued by the Alcoa Trust guaranteed on a subordinated basis by the Company (the "Trust Guarantee") to the extent described herein and in an accompanying prospectus supplement (the "Prospectus Supplement"). The Company will be the owner of the trust interests represented by common securities (the "Trust Common Securities") to be issued by the Alcoa Trust. Unless indicated otherwise in a Prospectus Supplement, the Alcoa Trust exists for the sole purpose of issuing its trust interests and investing the proceeds thereof in Subordinated Debt Securities. The Company Securities and the Trust Preferred Securities are referred to herein collectively as the "Offered Securities."

The Offered Securities may be issued in one or more series or issuances and will be limited to \$1,500,000,000 in aggregate public offering price (or its equivalent, based on the applicable exchange rate, to the extent Debt Securities are issued for one or more foreign currencies or currency units). The Offered Securities may be sold for U.S. dollars, or any foreign currency or currencies or currency units, and the principal of, any premium on, and any interest on, the Debt Securities may be payable in U.S. dollars, or any foreign currency or currencies or currency units.

The Offered Securities may be offered separately or as units with other Offered Securities, in separate series in amounts, at prices and on terms to be determined at or prior to the time of sale.

The specific terms of the Offered Securities in respect of which this Prospectus is being delivered are set forth in the accompanying Prospectus Supplement, including, where applicable, (i) in the case of Debt Securities, the specific designation, aggregate principal amount, authorized denomination, initial offering price, maturity (which may be fixed or extendible), premium (if any), interest rate (which may be fixed or floating), time of and method of calculating the payment of interest, if any, the currency in which principal, premium, if any, and interest, if any, are payable, any redemption, conversion or sinking fund terms and other specific terms; (ii) in the case of the Warrants, a description of the Debt Securities for which each Warrant is exercisable and the offering price, if any, the exercise price, duration and any other specific terms not set forth herein of the Warrants; (iii) in the case of the Preferred Stock, the specific title, number of shares, rate (or method of calculation) and time of payments of dividend, liquidation amounts, any conversion or exchange provisions and any other specific terms of the Preferred Stock; (iv) in the case of Trust Preferred Securities, the designation, number of shares, liquidation amount per share, initial public

offering price, dividend rate (or method of calculation thereof), dates on which dividends shall be payable and dates from which dividends shall accrue, any redemption or sinking fund provisions and any conversion or exchange provisions; and (v) in the case of all Offered Securities, whether such Offered Securities will be offered separately or as a unit with other Offered Securities. The Prospectus Supplement will also contain information, where applicable, about certain United States Federal income tax considerations relating to, and any listing on a securities exchange of, the Offered Securities covered by the Prospectus Supplement.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Offered Securities will be sold directly, through agents, dealers or underwriters as designated from time to time, or through a combination of such methods. If any agents of the Company or the Alcoa Trust or any dealers or underwriters are involved in the sale of the Offered Securities in respect of which this Prospectus is being delivered, the names of such agents, dealers or underwriters and any applicable agent's commission, dealer's purchase price or underwriter's discount will be set forth in or may be calculated from the Prospectus Supplement. The net proceeds to the Company or the Alcoa Trust from such sale will be the purchase price less such commission in the case of an agent, the purchase price in the case of a dealer, or the public offering price less such discount in the case of an underwriter and less, in each case, other attributable expenses. See "Plan of Distribution."

This Prospectus may not be used to consummate sales of Offered Securities unless accompanied by a Prospectus Supplement.

THE DATE OF THIS PROSPECTUS IS , .

#### AVAILABLE INFORMATION

The Company and the Alcoa Trust have filed with the Securities and Exchange Commission (the "Commission") a joint registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the securities offered hereby. This Prospectus, which forms a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company, the Alcoa Trust and the securities offered hereby, reference is made to the Registration Statement and to the exhibits thereto. Any statements made in this Prospectus concerning the provisions of certain documents are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission.

Alcoa is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission. The Registration Statement, the exhibits forming a part thereof and the reports and other information filed by the Company with the Commission may be inspected and copies may be obtained at the principal office of the Commission at 450 Fifth Street, N.W., Washington D.C. 20549, and at the following regional offices of the Commission: 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such materials can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such information may also be accessed electronically by means of the Commission's home page on the Internet at (<http://www.sec.gov>). Reports and other information concerning Alcoa can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

No separate financial statements of the Alcoa Trust have been included or incorporated by reference herein. Neither the Alcoa Trust nor the Company considers such financial statements material to holders of Trust Preferred Securities because (i) all of the voting securities of the Alcoa Trust will be owned, directly or indirectly, by the Company, a reporting company under the Exchange Act, (ii) the Alcoa Trust has no independent operations but rather exists for the purpose of issuing securities representing undivided beneficial interests in the assets of the Alcoa Trust and investing the proceeds thereof in Subordinated Debt Securities, and (iii) the obligations of the Alcoa Trust under the Trust Preferred Securities are fully and unconditionally guaranteed on a subordinated basis by the Company to the extent set forth herein. See "The Alcoa Trust" and "Description of Trust Preferred Securities and Trust Guarantee--Trust Guarantee."

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Alcoa has filed with the Commission, pursuant to the Exchange Act, an Annual Report on Form 10-K for the fiscal year ended December 31, 1997, filed on March 11, 1998, as amended by Amendment No. 1 on Form 10-K/A, filed on June 26, 1998 (the "Alcoa 1997 Form 10-K"), a Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, and a Current Report on Form 8-K, dated June 10, 1998, each of which is hereby incorporated in and made a part of this Prospectus. Statements contained in any such documents as to the contents of any contract or other document referred to therein are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed with the Commission, each such statement being qualified in all respects by such reference.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of

the Offered Securities shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated, or deemed to be incorporated, by reference herein or contained in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent any statement contained herein or in any subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded. This Prospectus does not contain all the information set forth in the Registration Statement of which this Prospectus forms a part which the Company has filed with the Commission and to which reference is hereby made.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED, UPON THE WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS WHICH ARE INCORPORATED HEREIN BY REFERENCE, OTHER THAN EXHIBITS TO SUCH DOCUMENTS (UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO SUCH DOCUMENTS). REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO ALUMINUM COMPANY OF AMERICA, 425 SIXTH AVENUE, PITTSBURGH, PENNSYLVANIA 15219-1850, ATTENTION: TREASURER (TELEPHONE: (412) 553-4545). (EFFECTIVE AUGUST 14, 1998, THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY WILL BE LOCATED AT 201 ISABELLA STREET, PITTSBURGH, PENNSYLVANIA 15212-5858.)

## THE COMPANY

The Company is the world's leading producer of aluminum and alumina and a major participant in all segments of the industry: mining, refining, smelting, fabricating and recycling. The Company serves customers worldwide in the packaging, automotive, aerospace, construction and other markets with a great variety of fabricated and finished products. Its operations consist of the three segments described below.

The alumina and chemicals segment includes the production and sale of bauxite, alumina chemicals and related transportation services. The aluminum processing segment comprises the production and sale of molten metal, ingot and aluminum products that are flat-rolled, engineered or finished. Also included are power, transportation and other services. The non-aluminum products segment includes the production and sale of electrical, plastic and composite materials products, manufacturing equipment, gold, magnesium products and steel and titanium forgings.

Alcoa is organized into 21 independently-managed business units and has over 180 operating locations in 28 countries, serving a broad range of markets in developing and industrialized economies. The principal executive offices of the Company are located at 425 Sixth Avenue, Alcoa Building, Pittsburgh, Pennsylvania 15219-1850 (Telephone: (412) 553-4545). (Effective August 14, 1998, the principal executive offices of the Company will be located at 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858.)

### RATIOS OF EARNINGS TO FIXED CHARGES

The ratios of the Company's earnings to fixed charges for the years ended December 31, 1993 through 1997 are 2.22, 6.47, 10.45, 7.25 and 9.44. The ratio of the Company's earnings to fixed charges for the three month period ended March 31, 1998 is 9.10. The ratios include all earnings, before extraordinary items and the cumulative effects of accounting changes, and fixed charges of the Company and its majority owned subsidiaries plus the Company's proportionate share of earnings of 50% owned entities. Earnings have been calculated by adding to net income the provision for taxes on income, amortization of capitalized interest, interest expense and an amount representative of the interest factor in rentals, and have been decreased by the undistributed earnings of entities less than 50% owned, preferred stock dividend requirements of majority owned subsidiaries and the minority interest share in the losses of majority owned subsidiaries without fixed charges of the Company. Fixed charges consist of total interest expense, amortization of debt expense, an amount representative of the interest factor in rentals, capitalized interest and preferred stock dividend requirements of majority owned subsidiaries.



## ALCOA TRUST I

Alcoa Trust I (the "Alcoa Trust") is a statutory business trust formed under Delaware law pursuant to (i) a Declaration of Trust (a "Declaration") executed by the Company, as sponsor for the Alcoa Trust, and the Trustees (as defined herein) of the Alcoa Trust and (ii) the filing of a certificate of trust with the Delaware Secretary of State. Unless an accompanying Prospectus Supplement provides otherwise, the Alcoa Trust exists for the sole purposes of (i) issuing the Trust Preferred Securities and investing the proceeds thereof in a specific series of Subordinated Debt Securities, (ii) issuing and selling Common Securities to the Company in exchange for cash and investing the proceeds thereof in additional Subordinated Debt Securities, and (iii) engaging in such other activities as are necessary, convenient or incidental thereto. The Alcoa Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake (or permit to be undertaken) any activity that would cause the Alcoa Trust not to be classified for United States federal income tax purposes as a grantor trust. All of the Trust Common Securities will be owned by the Company. The Trust Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Trust Preferred Securities, except that upon the occurrence and continuance of an event of default under the Declaration, the rights of the holders of the Trust Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Trust Preferred Securities. The Company will acquire Trust Common Securities having an aggregate liquidation amount equal to a minimum of 3% of the total capital of the Alcoa Trust. The Alcoa Trust will have a term of [40] years, but may terminate earlier as provided in the Declaration. The Alcoa Trust's business and affairs will be conducted by the Trustees. The holder of the Trust Common Securities will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the Trustees of the Alcoa Trust. The duties and obligations of the Trustees shall be governed by the Declaration of the Alcoa Trust. At least one of the Trustees of the Alcoa Trust will be a person who is an employee or officer of or who is affiliated with the Company (a "Regular Trustee"). One Trustee of the Alcoa Trust will be a financial institution that is not affiliated with the Company, which shall act as property trustee and as indenture trustee for the purposes of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), pursuant to the terms set forth in a Prospectus Supplement (the "Property Trustee"). In addition, unless the Property Trustee maintains a principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, one Trustee of the Alcoa Trust will be a legal entity having a principal place of business in, or an individual resident of, the State of Delaware (the "Delaware Trustee" and, together with the Regular Trustee and the Property Trustee, the "Trustees"). The Company will pay all fees and expenses related to the Alcoa Trust and the offering of the Trust Preferred Securities. Unless otherwise set forth in the Prospectus Supplement, the Property Trustee will be The Chase Manhattan Bank, and the Delaware Trustee will be Chase Manhattan Bank Delaware. The office of the Delaware Trustee in the State of Delaware is 1201 Market Street, Wilmington, Delaware 19801. The principal place of business of the Alcoa Trust is c/o Aluminum Company of America, 425 Sixth Avenue, Alcoa Building, Pittsburgh, Pennsylvania 15219-1850. Telephone: (412) 553-4545. (Effective August 14, 1998, the principal executive offices of the Company will be located at 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858.)

## USE OF PROCEEDS

Unless otherwise specified in the Prospectus Supplement, the net proceeds from the sale of the Company Securities offered hereby will be used for general corporate purposes, including repayment of borrowings, working capital, capital expenditures, stock repurchase programs and acquisitions, including borrowings under the Company's commercial paper program. Unless otherwise specified in the Prospectus Supplement, the Alcoa Trust will use all proceeds received from the sale of Trust Preferred Securities to purchase Subordinated Debt Securities of the Company. Additional information on the use of net proceeds from the sale of the Offered Securities offered hereby may be set forth in the Prospectus Supplement relating to such Offered Securities.

## DESCRIPTION OF SENIOR DEBT SECURITIES

The following description of the terms of the Senior Debt Securities summarizes certain general terms and provisions of the Senior Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Senior Debt Securities and the extent, if any, to which such general provisions may apply to any series of Senior Debt Securities will be described in the Prospectus Supplement relating to such series.

Senior Debt Securities may be issued, from time to time, in one or more series under an Indenture, dated as of September 30, 1993 (the "Senior Indenture"), between the Company and PNC Bank, National Association, as trustee, or such other trustee as shall be named in a Prospectus Supplement (the "Senior Trustee"). The Senior Indenture is filed with the Commission and incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part. The following statements are subject to the detailed provisions of the Senior Indenture. Wherever any particular provisions of the Senior Indenture or terms defined therein are referred to, such provisions and terms are incorporated by reference as a part of the statements made herein and such statements are qualified in their entirety by such references, including the definitions therein of certain terms. References to particular sections of the Senior Indenture are noted below. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Senior Indenture.

### GENERAL

The Senior Indenture does not limit the aggregate amount of Senior Debt Securities which may be issued thereunder and Senior Debt Securities may be issued thereunder from time to time in separate series up to the aggregate amount from time to time authorized by the Company for each series. The Senior Debt Securities will be unsecured obligations of the Company and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company.

The applicable Prospectus Supplement relating to the Senior Debt Securities will describe the following terms of the Senior Debt Securities: (1) the title of the Senior Debt Securities; (2) any limit on the aggregate principal amount of the Senior Debt Securities; (3) whether the Senior Debt Securities are to be issuable as Registered Securities or Bearer Securities or both, whether any of the Senior Debt Securities are to be issuable initially in temporary global form and whether any of the Senior Debt Securities are to be issuable in permanent global form; (4) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Senior Debt Securities will be issued; (5) the date or dates on which the Senior Debt Securities will mature; (6) the rate or rates per annum at which the Senior Debt Securities will bear interest, if any, or the formula pursuant to which such rate or rates shall be determined, and the date from which any such interest will accrue; (7) the Interest Payment Dates on which any such interest on the Senior Debt Securities will be payable, the Regular Record Date for any interest payable on any Senior Debt Securities which are Registered Securities on any Interest Payment Date and the extent to which, or the manner in which, any interest payable on a temporary global Senior Debt Security on an Interest Payment Date will be paid if other than in the manner described under "--Temporary Global Securities" below; (8) the person to whom any interest on any Registered Security of the series will be payable if other than the person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest as described under "--Payment and Paying Agents" below, and the manner in which any interest on any Bearer Security will be paid if other than in the manner described under "--Payment and Paying Agents" below; (9) any mandatory or optional sinking fund or analogous provisions; (10) each office or agency where, subject to the terms of the Senior Indenture as described below under "--Payment and Paying Agents," the principal of and any premium and interest on the Senior Debt Securities will be payable and each office or agency where, subject to the terms of the Senior Indenture as described below under "--Form, Exchange, Registration and Transfer," the Senior Debt Securities may be presented for registration of transfer or exchange; (11) the date, if any, after which

and the price or prices at which the Senior Debt Securities may, pursuant to any optional or mandatory redemption provisions, be redeemed, in whole or in part, and the other detailed terms and provisions of any such optional or mandatory redemption provisions; (12) the denominations in which any Senior Debt Securities which are Registered Securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof, and the denomination or denominations in which any Senior Debt Securities which are Bearer Securities will be issuable, if other than the denomination of \$5,000; (13) the currency, currencies or currency units of payment of principal of and any premium and interest on the Senior Debt Securities and the manner of determining the U.S. dollar equivalent thereof for purposes of determining Outstanding Senior Debt Securities of such series; (14) any index used to determine the amount of payments of principal of and any premium and interest on the Senior Debt Securities; (15) the portion of the principal amount of the Senior Debt Securities if other than the principal amount thereof, payable upon acceleration of maturity thereof; (16) if other than the Senior Trustee, the Person who shall be the Security Registrar of Senior Debt Securities; (17) if applicable, that the Senior Debt Securities shall be subject to defeasance or covenant defeasance as described under "--Defeasance and Covenant Defeasance;" (18) the terms and conditions, if any, pursuant to which the Senior Debt Securities of the series are convertible into or exchangeable for Common Stock of the Company; (19) if and as applicable, that the Senior Debt Securities of the series shall be issuable in whole or in part in the form of one or more Book-Entry Securities and, in such case, the Depository or Depositories for such Book-Entry Debt Security or Book-Entry Securities and any circumstances other than those set forth in the Senior Indenture in which any such Book-Entry Security may be transferred to, and registered and exchanged for Senior Debt Securities registered in the name of, a Person other than the Depository for such Book-Entry Security or a nominee thereof and in which any such transfer may be registered; and (20) any other terms of the Senior Debt Securities not inconsistent with the provisions of the Senior Indenture. (Section 301) Any such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Senior Debt Securities.

Senior Debt Securities may be issued at a substantial discount below their stated principal amount. Certain United States Federal income tax considerations applicable to Senior Debt Securities issued at discount and to Senior Debt Securities which are denominated in a currency other than United States dollars will be described in the Prospectus Supplement relating thereto.

Senior Debt Securities may also be issued under the Senior Indenture upon the exercise of Warrants issued by the Company. See "Description of Warrants." United States Federal income tax consequences applicable to any Warrants will be set forth in the Prospectus Supplement relating thereto.

#### FORM, EXCHANGE, REGISTRATION AND TRANSFER

Senior Debt Securities of a series may be issuable in definitive form solely as Registered Securities, solely as Bearer Securities or as both Registered Securities and Bearer Securities. Unless otherwise indicated in an applicable Prospectus Supplement, definitive Bearer Securities will have interest coupons attached. (Section 201) The Senior Indenture also will provide that Senior Debt Securities of a series may be issuable in temporary and permanent global form. (Section 201) See "Permanent Global Securities."

In connection with its sale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), no Bearer Security (including a Senior Debt Security in permanent global form) shall be mailed or otherwise delivered to any location in the United States or its possessions. No Bearer Security other than a temporary global Bearer Security may be delivered, nor may interest be paid on any Bearer Security unless the Person entitled to receive such Bearer Security or such interest furnishes written certification, in the form required by the Senior Indenture, to the effect that such person (i) is not a United States person, (ii) is a foreign branch of a United States

financial institution purchasing for its own account or for resale, or is a United States person who acquired the Senior Debt Security through such a financial institution and who holds the Senior Debt Security through such financial institution on the date of certification, provided in either case that such financial institution provides a certificate to the Company or the distributor selling the Senior Debt Security to it stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended (the "Code"), and the United States Treasury Regulations thereunder, or (iii) is a financial institution holding for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)). A financial institution described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) must certify that it has not acquired the Senior Debt Security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. In the case of a Bearer Security in permanent global form, such certification must be given in connection with notation of a beneficial owner's interest therein. (Section 303) See "--Temporary Global Securities."

Registered Securities of any series will be exchangeable for other Registered Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations. In addition, if Senior Debt Securities of any series are issuable as both Registered Securities and Bearer Securities, at the option of the Holder upon request confirmed in writing, and subject to the terms of the Senior Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of such series will be exchangeable into Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Bearer Securities surrendered in exchange for Registered Securities between a Regular Record Date or a Special Record Date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest and interest will not be payable in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Senior Indenture. Bearer Securities will not be issued in exchange for Registered Securities. (Section 305) Each Bearer Security other than a temporary global Bearer Security will bear a legend substantially to the following effect: "Any United States Person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Senior Debt Securities may be presented for exchange as provided above, and Registered Securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed, if so required by the Company or the Senior Trustee or any transfer agent), at the office of the Security Registrar or at the office of any transfer agent designated by the Company for such purpose with respect to any series of Senior Debt Securities and referred to in an applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Senior Indenture. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. (Section 305) If a Prospectus Supplement refers to any transfer agents (in addition to the Security Registrar) initially designated by the Company with respect to any series of Senior Debt Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if Senior Debt Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a transfer agent in each Place of Payment for such series and, if Senior Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (in addition to the Security Registrar) a transfer agent in a Place of Payment for such series located outside the United States. The Company may at any time designate additional transfer agents with respect to any series of Senior Debt Securities. (Section 1002)

In the event of any redemption in part, the Company shall not be required to (i) issue, register the transfer of or exchange Senior Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of Senior Debt Securities of that series to be redeemed and ending at the close of business on (A) if Senior Debt Securities of the series are issuable only as Registered Securities, the day of mailing of the relevant notice of redemption and (B) if Senior Debt Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Senior Debt Securities of the series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Registered Security, or portion thereof, called for redemption, except the unredeemed portion of any Registered Security being redeemed in part; or (iii) exchange any Bearer Security called for redemption, except to exchange such Bearer Security for a Registered Security of that series and like tenor which is immediately surrendered for redemption. (Section 305)

#### PAYMENT AND PAYING AGENTS

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of and any premium and interest on Bearer Securities will be payable, subject to any applicable laws and regulations, at the offices of such Paying Agents outside the United States as the Company may designate from time to time by check or by transfer, at the option of the Holder, to an account maintained by the payee with a bank located outside the United States. Unless otherwise indicated in an applicable Prospectus Supplement, payment of interest on Bearer Securities on any Interest Payment Date will be made only against surrender outside the United States, to the Paying Agent, of the coupon relating to such Interest Payment Date. (Section 1001) No payment with respect to any Bearer Security will be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States. Notwithstanding the foregoing, payments of principal of and any premium and interest on Bearer Securities denominated and payable in U.S. dollars will be made at the office of the Company's Paying Agent in the Borough of Manhattan, the City of New York, if (but only if) payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002)

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of and any premium and interest on Registered Securities will be made at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that at the option of the Company, payment of any interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. Unless otherwise indicated in an applicable Prospectus Supplement, payment of any instalment of interest on Registered Securities will be made to the Person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest. (Section 307)

Unless otherwise indicated in an applicable Prospectus Supplement, the Corporate Trust Office of the Senior Trustee in Pittsburgh, Pennsylvania, will be designated as a Paying Agent for the Company for payments with respect to Senior Debt Securities which are issuable solely as Registered Securities and the Company will maintain a Paying Agent outside of the United States for payments with respect to Senior Debt Securities (subject to the limitations described above in the case of Bearer Securities) which are issuable solely as Bearer Securities or as both Registered Securities and Bearer Securities. Any Paying Agents outside the United States and any other Paying Agents in the United States initially designated by the Company for the Senior Debt Securities will be named in an applicable Prospectus Supplement. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that, if Senior Debt Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a Paying Agent in each Place of Payment for such series and, if

Senior Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (i) a Paying Agent in the Borough of Manhattan, the City of New York for payments with respect to any Registered Securities of the series (and for payments with respect to Bearer Securities of the series in the circumstances described above, but not otherwise), and (ii) a Paying Agent in a Place of Payment located outside the United States where Senior Debt Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; provided that if the Senior Debt Securities of such series are listed on The Stock Exchange of the United Kingdom and the Republic of Ireland or the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent in London or Luxembourg or any other required city located outside the United States, as the case may be, for the Senior Debt Securities of such series. (Section 1002)

All moneys paid by the Company to a Paying Agent for the payment of principal of and any premium or interest on any Senior Debt Security which remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will be repaid to the Company and the Holder of such Senior Debt Security or any coupon will thereafter look only to the Company for payment thereof. (Section 1003)

#### BOOK-ENTRY SECURITIES

The Senior Debt Securities of a series may be issued in the form of one or more Registered Securities that will be registered in the name of the Depository or its nominee and bearing a legend as specified in the Senior Indenture ("Book-Entry Security"). Unless otherwise indicated in the applicable Prospectus Supplement, a Book-Entry Security may not be registered for transfer or exchange to any Person other than the Depository or its nominee unless (i) the Depository notifies the Company that it is unwilling to continue as Depository or ceases to be a clearing agency registered under the Exchange Act, (ii) the Company executes and delivers to the Senior Trustee a Company Order that such Book-Entry Security shall be so exchangeable and the transfer thereof so registrable, or (iii) there shall have occurred and be continuing an Event of Default, or an event which after notice or lapse of time, or both, would be an Event of Default, with respect to the Senior Debt Securities evidenced by such Book-Entry Security. Upon the occurrence in respect of any Book-Entry Security of any series of any one or more of the conditions specified in clauses (i), (ii) or (iii) of the preceding sentence or such other conditions as may be specified as contemplated by the Indentures for such series, such Book-Entry Security may be exchanged for Senior Debt Securities of such series registered in the names of, and the transfer of such Book-Entry Security may be registered to, such Persons (including Persons other than the Depository with respect to such series and its nominees) as such Depository shall direct.

The specific terms of the depository arrangement with respect to any portion of a series of Registered Book-Entry Securities to be represented by a Book-Entry Security will be described in the applicable Prospectus Supplement. The Company expects that the following provisions will apply to depository arrangements.

Unless otherwise specified in the applicable Prospectus Supplement, Senior Debt Securities which are to be represented by a Book-Entry Security to be deposited with or on behalf of a Depository will be represented by a Book-Entry Security registered in the name of such Depository or its nominee. Upon the issuance of such Book-Entry Security, and the deposit of such Book-Entry Security with or on behalf of the Depository for such Book-Entry Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Senior Debt Securities represented by such Book-Entry Security to the accounts of institutions that have accounts with such Depository or its nominee ("participants"). The accounts to be credited will be designated by the underwriters or agents of such Senior Debt Securities or by the Company if such Senior Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in such Book-Entry Security will be limited to participants or Persons that may hold interests through

participants. Ownership of beneficial interests by participants in such Book-Entry Security will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by the Depository or its nominee for such Book-Entry Security. Ownership of beneficial interests in such Book-Entry Security by Persons that hold through participants will be shown on, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in such Book-Entry Securities.

So long as the Depository for a Book-Entry Security, or its nominee, is the registered owner of such Book-Entry Security, such Depository or such nominee, as the case may be, will be considered the sole owner or Holder of the Senior Debt Securities represented by such Book-Entry Security for all purposes under the Senior Indenture. Unless otherwise specified in the applicable Prospectus Supplement, owners of beneficial interests in such Book-Entry Security will not be entitled to have Senior Debt Securities of the series represented by such Book-Entry Security registered in their names, will not receive or be entitled to receive physical delivery of Senior Debt Securities of such series in certificated form and will not be considered the Holders thereof for any purposes under the Senior Indenture. (Sections 204 and 305) Accordingly, each Person owning a beneficial interest in such Book-Entry Security must rely on the procedures of the Depository and, if such Person is not a participant, on the procedures of the participant through which such Person owns its interest, to exercise any rights of a Holder under the Senior Indenture. The Senior Indenture provides that the Depository may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Senior Indenture. (Section 104) The Company understands that under existing industry practices, if the Company requests any action of Holders, or an owner of a beneficial interest in such Book-Entry Security desires to give any notice or take any action a Holder is entitled to give or take under the Senior Indenture, the Depository would authorize the participants to give such notice or take such action, and participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

#### TEMPORARY GLOBAL SECURITIES

If so specified in an applicable Prospectus Supplement, all or any portion of the Senior Debt Securities of a series which are issuable as Bearer Securities will initially be represented by one or more temporary global Senior Debt Securities, without interest coupons, to be deposited with a common depository in London for the Euroclear System ("Euroclear") and CEDEL S.A. ("CEDEL") for credit to the designated accounts. On and after the date determined as provided in any such temporary global Senior Debt Security and described in an applicable Prospectus Supplement, each such temporary global Senior Debt Security will be exchanged for an interest in a permanent global Bearer Security as specified in an applicable Prospectus Supplement, but, unless otherwise specified in an applicable Prospectus Supplement, only upon receipt of written certification from Euroclear or CEDEL, as the case may be, in the form and to the effect required by the Senior Indenture (a "Depository Tax Certification") and upon receipt of written certification by Euroclear or CEDEL from the person entitled to receive such Senior Debt Securities in the form and to the effect described under "--Form, Exchange, Registration and Transfer." No definitive Bearer Security (including a Senior Debt Security in permanent global form that is either a Bearer Security or exchangeable for Bearer Securities) delivered in exchange for a portion of a temporary or permanent global Senior Debt Security shall be mailed or otherwise delivered to any location in the United States in connection with such exchange. (Section 304)

Unless otherwise specified in an applicable Prospectus Supplement, interest in respect of any portion of a temporary global Senior Debt Security payable in respect of an Interest Payment Date

occurring prior to the issuance of securities in permanent global form will be paid to each of Euroclear and CEDEL with respect to the portion of the temporary global Senior Debt Security held for its account following the receipt by the Company or its agent of a Depository Tax Certification. Each of Euroclear and CEDEL will undertake in such circumstances to credit such interest received by it in respect of a temporary global Senior Debt Security to the respective accounts for which it holds such temporary global Senior Debt Security only upon receipt in each case of certification in the form and to the effect described under "--Form, Exchange, Registration and Transfer" with respect to the portion of such temporary global Senior Debt Security on which such interest is to be so credited. Receipt of the certification described in the preceding sentence by Euroclear or CEDEL, as the case may be, shall constitute irrevocable instructions to Euroclear or CEDEL to exchange such portion of the temporary global Senior Debt Security with respect to which such certification was received for an interest in a permanent global Senior Debt Security.

#### PERMANENT GLOBAL SECURITIES

If any Senior Debt Securities of a series are issuable in permanent global form, the applicable Prospectus Supplement will describe the circumstances, if any, under which beneficial owners of interests in any such permanent global Senior Debt Security may exchange such interests for Senior Debt Securities of such series and of like tenor and principal amount in any authorized form and denomination. No Bearer Security delivered in exchange for a portion of a permanent global Senior Debt Security shall be mailed or otherwise delivered to any location in the United States in connection with such exchange. (Section 305) A Person having a beneficial interest in a permanent global Senior Debt Security will, except with respect to payment of principal of and any premium and interest on such permanent global Senior Debt Security, be treated as a Holder of such principal amount of Outstanding Senior Debt Securities represented by such permanent global Senior Debt Security as shall be specified in a written statement of the Holder of such permanent global Senior Debt Security or, in the case of a permanent global Senior Debt Security in bearer form, of the operator of Euroclear or CEDEL which is produced to the Senior Trustee by such Person. (Section 203) Principal of and any premium and interest on a permanent global Senior Debt Security will be payable in the manner described in the applicable Prospectus Supplement.

#### CERTAIN LIMITATIONS

The Senior Indenture contains the covenants and limitations summarized below, which will be applicable (unless waived or amended) so long as any of the Senior Debt Securities are outstanding, unless stated otherwise in the Prospectus Supplement.

Liens. The Company covenants in the Senior Indenture that it will not create, incur, assume or guarantee, and will not permit any Restricted Subsidiary to create, incur, assume or guarantee, any indebtedness for borrowed money ("Debt") secured by a mortgage, security interest, pledge, charge or similar encumbrance ("mortgages") upon any Principal Property of the Company or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary without equally and ratably securing the Senior Debt Securities. The foregoing restriction, however, will not apply to (a) mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary; (b) mortgages on property existing at the time of acquisition of such property by the Company or a Restricted Subsidiary or mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition or to secure any Debt incurred prior to, at the time of, or within 180 days after, the acquisition of such property for the purpose of financing all or any part of the purchase price thereof, or mortgages to secure the cost of improvements to such acquired property; (c) mortgages to secure Debt of a Restricted Subsidiary to the Company or another Restricted Subsidiary; (d) mortgages existing at the date of the Senior Indenture; (e) mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Company or a Restricted Subsidiary or at the time of a sale, lease, or



other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Company or a Restricted Subsidiary; (f) certain mortgages in favor of governmental entities; or (g) extensions, renewals or replacements of any mortgage referred to in the foregoing clauses (a) through (f). (Section 1009)

Notwithstanding the restrictions outlined in the preceding paragraph, the Company or any Restricted Subsidiary will be permitted to create, incur, assume or guarantee any Debt secured by a mortgage without equally and ratably securing the Senior Debt Securities, provided that after giving effect thereto, the aggregate amount of all debt so secured by mortgages (not including mortgages permitted under clauses (a) through (g) above) does not exceed 10% of Consolidated Net Tangible Assets. (Section 1009)

Sale and Leaseback Arrangements. The Company covenants that it will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any person that provides for the leasing to the Company or any Restricted Subsidiary of Principal Property (other than any such transaction involving a lease for a term of not more than three years or any such transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries) which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such person, unless either (a) the Company or such Restricted Subsidiary would be entitled to create, incur, assume or guarantee Debt secured by a mortgage on such Principal Property at least equal in amount to the Attributable Debt with respect to such arrangement, without equally and ratably securing the Senior Debt Securities, pursuant to the limitation in the Senior Indenture on liens, or (b) the Company shall apply an amount equal to the greater of the net proceeds of such sale or the Attributable Debt with respect to such arrangement to the retirement of Debt that matures more than twelve months after the creation of such Debt. (Section 1010)

Highly leveraged transactions. The Senior Indenture does not contain provisions which would afford protection to the Holders of the Senior Debt Securities in the event of a highly leveraged transaction involving the Company.

#### CERTAIN DEFINITIONS

The term "Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

The term "Attributable Debt" when used in connection with a sale and leaseback transaction referred to above shall mean, at the time of determination, the lesser of (a) the fair value of such property (as determined by the Board of Directors of the Company) or (b) the present value (discounted at the annual rate of 9%, compounded semi-annually) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

The term "Bearer Security" means any Senior Debt Security established pursuant to the Senior Indenture which is payable to bearer.

The term "Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

The term "Book-Entry Security" means a Registered Security bearing the legend specified in Section 204 of the Senior Indenture, evidencing all or part of a series of Senior Debt Securities, issued to the Depository for such series or its nominee, and registered in the name of such Depository or nominee. Book-Entry Securities shall not be deemed to be securities in global form for purposes of Sections 201 and 203 and Article Three of the Senior Indenture.

The term "Common Stock" includes any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company and which is not subject to redemption by the Company. However, subject to the provisions of Section 1511 of the Senior Indenture, shares issuable on conversion of Senior Debt Securities shall include only shares of the class designated as Common Stock of the Company at the date of this instrument or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of each such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

The term "Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board of Directors, its Vice Chairman of the Board of Directors, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary and delivered to the Senior Trustee.

The term "Corporate Trust Office" means the principal office of the Senior Trustee in Pittsburgh, Pennsylvania, at which at any particular time its corporate trust business shall be administered.

The term "Consolidated Net Tangible Assets" shall mean, as of any particular time, the aggregate amount of assets (less applicable reserves and other properly deductible items) adjusted for inventories on the basis of cost (before application of the "last-in first-out" method of determining cost) or current market value, whichever is lower, and deducting therefrom (a) all current liabilities except for (1) notes and loans payable, (2) current maturities of long-term debt and (3) current maturities of obligations under capital leases and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

The term "Defaulted Interest" shall mean any interest on any Registered Security of any series which is payable, but is not punctually paid or duly provided for on any Interest Payment Date.

The term "Depository" means, with respect to the Senior Debt Securities of any series issuable or issued in whole or in part in the form of one or more Book-Entry Securities, the clearing agency registered under the Exchange Act specified for that purpose as contemplated by Section 301 of the Senior Indenture.

The term "Exchange Act" means the Securities Exchange Act of 1934, each as amended from time to time, and any statute successor thereto.

The term "Holder," when used with respect to any Senior Debt Security, means in the case of a Registered Security the Person in whose name the Senior Debt Security is registered in the Security Register and in the case of a Bearer Security the bearer thereof and, when used with respect to any coupon, means the bearer thereof.

The term "Indenture" means the Senior Indenture, as such indenture was originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof, including, for all purposes of that instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern the indenture, and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Senior Debt Securities established as contemplated by Section 301 therein.

The term "Interest Payment Date," when used with respect to any Senior Debt Security, means the Stated Maturity of an installment of interest on such Senior Debt Security.

The term "Maturity," when used with respect to any Senior Debt Security, means the date on which the principal of such Senior Debt Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

The term "Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company and shall be acceptable to the Senior Trustee.

The term "Original Issue Discount Security" means any Senior Debt Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 of the Senior Indenture.

The term "Outstanding," when used with respect to Senior Debt Securities, means, as of the date of determination, all Senior Debt Securities theretofore authenticated and delivered under the Senior Indenture, except:

(1) Senior Debt Securities theretofore canceled by the Senior Trustee or delivered to the Senior Trustee for cancellation;

(2) Senior Debt Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Senior Trustee or any Paying Agent in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Senior Debt Securities and any coupons appertaining thereto; provided that, if such Senior Debt Securities are to be redeemed, notice of such redemption has been duly given pursuant to the Senior Indenture or provision therefor satisfactory to the Senior Trustee has been made;

(3) Senior Debt Securities as to which Defeasance has been effected pursuant to Section 1302 of the Senior Indenture (See also "--Defeasance and Covenant Defeasance" section herein); and

(4) Senior Debt Securities which have been paid pursuant to Section 306 of the Senior Indenture or in exchange for or in lieu of which other Senior Debt Securities have been authenticated and delivered pursuant to the Senior Indenture, other than any such Senior Debt Securities in respect of which there shall have been presented to the Senior Trustee proof satisfactory to it that such Senior Debt Securities are held by a bona fide purchaser in whose hands such Senior Debt Securities are valid obligations of the Company; provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Senior Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether a quorum is present at a meeting of Holders of Senior Debt Securities (A) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof to such date pursuant to Section 502 of the Senior Indenture, (B) the principal amount of a Senior Debt Security

denominated in one or more foreign currencies or currency units shall be the Dollar equivalent, determined in the manner provided as contemplated by Section 301 of the Senior Indenture on the date of original issuance of such Senior Debt Security, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent on the date of original issuance of such Senior Debt Security of the amount determined as provided in Clause (A) above), of such Senior Debt Security, and (C) Senior Debt Securities owned by the Company or any other obligor upon the Senior Debt Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Senior Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, or upon any such determination as to the presence of a quorum, only Senior Debt Securities which the Senior Trustee knows to be so owned shall be so disregarded. Senior Debt Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Senior Trustee the pledgee's right so to act with respect to such Senior Debt Securities and that the pledgee is not the Company or any other obligor upon the Senior Debt Securities or any Affiliate of the Company or of such other obligor.

The term "Paying Agent" means any Person authorized by the Company to pay the principal of or any premium or interest on any Senior Debt Securities on behalf of the Company.

The term "Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

The term "Place of Payment," when used with respect to the Senior Debt Securities of any series, means the place or places where, subject to the provisions of Section 1002 of the Senior Indenture, the principal of and any premium and interest on the Senior Debt Securities of that series are payable as specified as contemplated by Section 301 of the Senior Indenture.

The term "Principal Property" shall mean any manufacturing plant or manufacturing facility which is (i) owned by the Company or any Restricted Subsidiary and (ii) located within the continental United States of America, except any such plant which, in the opinion of the Board of Directors, is not of material importance to the total business conducted by the Company and the Restricted Subsidiaries taken as a whole.

The term "Redemption Date," when used with respect to any Senior Debt Security to be redeemed, means the date fixed for such redemption by or pursuant to the Senior Indenture.

The term "Registered Security" means any Senior Debt Security established pursuant to the Senior Indenture which is registered in the Security Register.

The term "Regular Record Date" for the interest payable on any Interest Payment Date on the Registered Securities of any series means the date specified for that purpose as contemplated by Section 301 of the Senior Indenture.

The term "Restricted Subsidiary" shall mean any Subsidiary substantially all the property of which is located within the continental United States; provided, however, that the term "Restricted Subsidiary" shall not include any Subsidiary which is principally engaged in leasing or in financing receivables, or which is principally engaged in financing the Company's operations outside the continental United States, or which principally serves as a partner in a partnership.

The term "Security Register" and "Security Registrar" shall mean the Person named in the applicable Prospectus Supplement.

The term "Special Record Date" for the payment of any Defaulted Interest on the Registered Securities of any series means a date fixed by the Senior Trustee pursuant to Section 307 of the Senior Indenture.

The term "Stated Maturity," when used with respect to any Senior Debt Security or any installment of principal thereof or interest thereon, means the date specified in such Senior Debt Security or a coupon representing such installment of interest as the fixed date on which the principal of such Senior Debt Security or such installment of principal or interest is due and payable.

The term "Subsidiary" shall mean any corporation of which at least a majority of the outstanding stock having the voting power to elect a majority of the board of directors of such corporation as at the time is owned, directly or indirectly, by the Company or by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

The term "Trading Day" means each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which the Common Stock is not traded on the New York Stock Exchange, Inc. ("NYSE") or, if the Common Stock is not traded on the NYSE on the principal exchange or market on which the Common Stock is traded or quoted.

The term "Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which the Senior Indenture was executed, provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

The term "U.S. Government Obligations" shall mean (x) any security that is (i) a direct obligation of the United States of America for the payment of which full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by or acting as an agent or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any U.S. Government Obligation specified in Clause (x) and held by such custodian for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any such U.S. Government Obligation, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

#### EVENTS OF DEFAULT

Unless otherwise provided in the applicable Prospectus Supplement, any one of the following events will constitute an Event of Default under the Senior Indenture with respect to Senior Debt Securities of any series: (a) failure to pay any interest on any Senior Debt Security of that series when due, continued for 30 days; (b) failure to pay principal of or any premium on any Senior Debt Security of that series when due; (c) failure to deposit any sinking fund payment when due in respect of any Senior Debt Security of that series, continued for 30 days; (d) failure to perform any other covenant of the Company in the Senior Indenture (other than a covenant included in the Senior Indenture solely for the benefit of a series of Senior Debt Securities other than that series), continued for 90 days after written notice as provided in the Senior Indenture; (e) default resulting in acceleration of any indebtedness for money borrowed by the Company under the terms of the instrument or instruments under which such indebtedness is issued or secured if such acceleration is not rescinded or annulled within 10 days after written notice as provided in the Senior Indenture (provided that, the resulting Event of Default under the Senior Indenture will be cured or waived if such other default is cured or

waived); (f) certain events in bankruptcy, insolvency or reorganization involving the Company; and (g) any other Event of Default provided with respect to Senior Debt Securities of that series. (Section 501)

If an Event of Default with respect to Senior Debt Securities of any series at the time Outstanding occurs and is continuing, either the Senior Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Senior Debt Securities of that series by notice as provided in the Senior Indenture may declare the principal amount (or, if the Senior Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all the Senior Debt Securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to Senior Debt Securities of any series has been made, but before a judgment or decree for payment of money has been obtained by the Senior Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Senior Debt Securities of that series may, under certain circumstances, rescind and annul such acceleration. (Section 502)

The Senior Indenture will provide that, subject to the duty of the Senior Trustee during default to act with the required standard of care, the Senior Trustee will be under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Senior Trustee reasonable indemnity. (Sections 601 and 603) The Holders of a majority in aggregate principal amount of the Outstanding Senior Debt Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Trustee, or exercising any trust or power conferred on the Senior Trustee, with respect to the Senior Debt Securities of that series. (Section 512)

#### CONVERSION AND EXCHANGE RIGHTS

The Senior Debt Securities of any series may be convertible into or exchangeable for Common Stock of the Company on the terms and subject to the conditions set forth in the Prospectus Supplement.

#### DEFEASANCE AND COVENANT DEFEASANCE

Unless otherwise indicated in the applicable Prospectus Supplement with respect to the Senior Debt Securities of a series, the Company, at its option, (i) will be discharged from any and all obligations in respect of the Senior Debt Securities of such series (except for certain obligations to issue temporary Senior Debt Securities pending preparation of definitive Senior Debt Securities, to register the transfer or exchange of Senior Debt Securities of such series, to replace stolen, lost or mutilated Senior Debt Securities of such series, and to maintain paying agents and hold moneys for payment in trust) or (ii) need not comply with the covenants that are set forth under "-- Certain Limitations" and "--Consolidation, Merger and Sale of Assets," and the occurrence of an event described under clause (d) of the "Events of Default" with respect to any defeased covenant and Clauses (e) and (g) of "--Events of Default" shall no longer be an Event of Default if, in each case, the Company irrevocably deposits with the Senior Trustee, in trust, money and/or U.S. Government Obligations that through the scheduled payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal of (and premium, if any) and any interest on the Senior Debt Securities of such series on the dates such payments are due (which may include one or more redemption dates designated by the Company) in accordance with the terms of the Senior Indenture and such Senior Debt Securities. Such a trust may only be established if, among other things, (a) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default under the Senior Indenture shall have occurred and be continuing on the date of such deposit, or with regard to any Event of Default or any such event described under clause (f) of "--Events of Default" shall have occurred and be continuing at any time during the period ending on the 91st day following such date of deposit, and (b) the Company shall have delivered an Opinion of Counsel based, in the event of a defeasance of the type

described in clause (i) above, upon a ruling from the Internal Revenue Service or a change in applicable Federal income tax law from the date of the Senior Indenture to the effect that the Holders of the Senior Debt Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit or defeasance and will be subject to Federal income tax in the same manner as if such defeasance had not occurred. In the event the Company omits to comply with its remaining obligations under the Senior Indenture after a defeasance of the Senior Indenture with respect to the Senior Debt Securities of any series as described under clause (ii) above and the Senior Debt Securities of such series are declared due and payable because of the occurrence of any undefeased Event of Default, the amount of money and/or U.S. Government Obligations on deposit with the Senior Trustee may be insufficient to pay amounts due on the Senior Debt Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable in respect of such payments. (Article Thirteen)

#### MEETINGS, MODIFICATION AND WAIVER

Modifications and amendments of the Senior Indenture may be made by the Company and the Senior Trustee with the consent of the Holders of not less than 66 2/3% in aggregate principal amount of the Outstanding Senior Debt Securities of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Senior Debt Security affected thereby, (a) change the Stated Maturity of the principal of, or any instalment of principal of or interest on any Senior Debt Security, (b) reduce the principal amount of, or premium or interest on, any Senior Debt Security, (c) change any obligation of the Company to pay additional amounts, (d) reduce the amount of principal of an Original Issue Discount Security payable upon acceleration of the Maturity thereof, (e) change the coin or currency in which any Senior Debt Security or any premium or interest thereon is payable, (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Senior Debt Security, (g) reduce the percentage in principal amount of Outstanding Senior Debt Securities of any series, the consent of whose Holders is required for modification or amendment of the Senior Indenture or for waiver of compliance with certain provisions of such Senior Indenture or for waiver of certain defaults, (h) reduce the requirements contained in such Senior Indenture for quorum or voting, (i) change any obligation of the Company to maintain an office or agency in the places and for the purposes required by such Senior Indenture, or (j) modify any of the above provisions. (Section 902)

The Holders of at least 66 2/3% of the outstanding Senior Debt Securities of a series may waive compliance by the Company with certain restrictive provisions of the Senior Indenture. (Section 1012) The Holders of not less than a majority in aggregate principal amount of the Outstanding Senior Debt Securities of each series may, on behalf of all Holders of Senior Debt Securities of that series and any coupons appertaining thereto, waive any past default under the Senior Indenture with respect to Senior Debt Securities of that series, except a default (a) in the payment of principal of (or premium if any) or any interest on any Senior Debt Security of such series, and (b) in respect of a covenant or provision of the Senior Indenture which cannot be modified or amended without the consent of the Holder of each Outstanding Senior Debt Security of such series affected. (Section 513)

The Senior Indenture provides that in determining whether the Holders of the requisite principal amount of the Outstanding Senior Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver thereunder or are present at a meeting of Holders of Senior Debt Securities for quorum purposes, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof, (ii) the principal amount of a Senior Debt Security denominated in a foreign currency or currencies shall be the U.S. dollar equivalent, determined on the date of original issuance of such Security, of the principal amount

of such Senior Debt Security (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent, determined on the date of original issuance of such Senior Debt Security, of the amount determined as provided in (i) above), and (iii) Senior Debt Securities owned by the Company or an Affiliate thereof shall not be deemed outstanding. (Section 101)

The Senior Indenture contains provisions for convening meetings of the Holders of Senior Debt Securities of a series if Senior Debt Securities of that series are issuable as Bearer Securities. (Section 1401) A meeting may be called at any time by the Senior Trustee, and also, upon request, by the Company or the Holders of at least 10% in principal amount of the Outstanding Senior Debt Securities of such series, in any such case upon notice given in accordance with "--Notices" below. (Section 1402) To be entitled to vote at any meeting of Holders of Senior Debt Securities of any series, a Person shall be (1) a Holder of one or more Outstanding Senior Debt Securities of such series, or (2) a person appointed by an instrument in writing as proxy of a Holder or Holders, including proxies given to beneficial owners of Book-Entry Securities by the Depository, or its nominee. (Section 1403) Except for any consent which must be given by the Holder of each Outstanding Senior Debt Security affected thereby, as described above, any resolution presented at a meeting or adjourned meeting at which a quorum is present may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Senior Debt Securities of that series; provided, however, that, except for any consent which must be given by the Holder of each Outstanding Senior Debt Security affected thereby, as described above, any resolution with respect to any consent or waiver which may be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Senior Debt Securities of a series may be adopted at a meeting or an adjourned meeting at which a quorum is present only by the affirmative vote of 66 2/3% in principal amount of the Outstanding Senior Debt Securities of that series; and provided, further, that, except for any consent which must be given by the Holder of each Outstanding Senior Debt Security affected thereby, as described above, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of Outstanding Senior Debt Securities of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Senior Debt Securities of that series. Any resolution passed or decision taken at any meeting of Holders of Senior Debt Securities of any series duly held in accordance with the Senior Indenture will be binding on all Holders of Senior Debt Securities of that series and the related coupons. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the Outstanding Senior Debt Securities of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which may be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Senior Debt Securities of a series, the persons holding or representing 66 2/3% in principal amount of the Outstanding Senior Debt Securities of such series will constitute a quorum. (Section 1404)

#### CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company, without the consent of the Holders of any of the Outstanding Senior Debt Securities under the Senior Indenture, may consolidate or merge with or into, or transfer or lease its assets substantially as an entirety to, any Person which is a corporation, partnership or trust organized and validly existing under the laws of any domestic jurisdiction, or may permit any such Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, provided that any successor Person assumes the Company's obligations on the Senior Debt Securities and under the Senior Indenture, that after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have occurred and be continuing, and that certain other conditions are met. (Section 801)



## NOTICES

Except as otherwise provided in the Senior Indenture, notices to Holders of Bearer Securities will be given by publication at least twice in a daily newspaper in the City of New York and in such other city or cities as may be specified in such Senior Debt Securities and described in the applicable Prospectus Supplement. Notices to Holders of Registered Securities will be given by mail to the addresses of such Holders as they appear in the Security Register. (Sections 101 and 106)

## TITLE

Title to any Bearer Securities and any coupons appertaining thereto will pass by delivery. The Company, the Senior Trustee and any agent of the Company or the Senior Trustee may treat the bearer of any Bearer Security and the bearer of any coupon and the registered owner of any Registered Security as the absolute owner thereof (whether or not such Senior Debt Security or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes. (Section 308)

## REPLACEMENT OF SECURITIES AND COUPONS

Any mutilated Senior Debt Security or a Senior Debt Security with a mutilated coupon appertaining thereto will be replaced by the Company at the expense of the Holder upon surrender of such Senior Debt Security to the Security Registrar. Senior Debt Securities or coupons that become destroyed, stolen or lost will be replaced by the Company at the expense of the Holder upon delivery to the Senior Trustee of the Senior Debt Security and coupons or evidence of the destruction, loss or theft thereof satisfactory to the Company and the Senior Trustee; in the case of any coupon which becomes destroyed, stolen or lost, such coupon will be replaced by issuance of a new Senior Debt Security in exchange for the Senior Debt Security to which such coupon appertains. In the case of a destroyed, lost or stolen Senior Debt Security or coupon, an indemnity satisfactory to the Senior Trustee and the Company may be required at the expense of the Holder of such Senior Debt Security or coupon before a replacement Senior Debt Security will be issued. (Section 306)

## GOVERNING LAW

The Senior Indenture, the Senior Debt Securities and the coupons will be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania. (Section 113)

## REGARDING THE SENIOR TRUSTEE

PNC Bank, National Association is the trustee under the Senior Indenture. The Company and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowings in the ordinary course of business, with PNC Bank, National Association.

## DESCRIPTION OF THE SUBORDINATED DEBT SECURITIES

The following description of the terms of the Subordinated Debt Securities summarizes certain general terms and provisions of the Subordinated Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Subordinated Debt Securities and the extent, if any, to which such general provisions may apply to the Subordinated Debt Securities will be described in the Prospectus Supplement relating to such Subordinated Debt Securities.

The Subordinated Debt Securities may be issued under an indenture (the "Subordinated Indenture") between the Company and The Chase Manhattan Bank, as trustee, or such other trustee as shall be named in a Prospectus Supplement (the "Subordinated Trustee"), the form of which has been filed with the Commission as an exhibit to the Registration Statement of which this Prospectus forms a part. This summary of certain terms and provisions of the Subordinated Debt Securities and the Subordinated Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Subordinated Indenture. References to particular sections of the Subordinated Indenture are noted below. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Subordinated Indenture.

### GENERAL

The Subordinated Debt Securities will be unsecured and will rank junior and be subordinate in right of payment to all Senior Debt (as defined below) of the Company. The Subordinated Indenture does not limit the incurrence or issuance of other secured or unsecured debt of the Company, whether under the Subordinated Indenture or any existing or other indenture that the Company may enter into in the future or otherwise. See "--Subordination."

Concurrently with the issuance of Trust Preferred Securities, the Alcoa Trust will invest the proceeds thereof and the consideration paid by the Company for the related Trust Common Securities in Subordinated Debt Securities. The Subordinated Debt Securities will be in the principal amount equal to the aggregate stated liquidation amount of the Trust Preferred Securities plus the Company's concurrent investment in the related Trust Common Securities.

The Subordinated Debt Securities will not be subject to any sinking fund provision.

Reference is made to the Prospectus Supplement for the following terms of the Subordinated Debt Securities being offered hereby (to the extent such terms are applicable to the Subordinated Debt Securities): (i) the specific designation of such Subordinated Debt Securities, aggregate principal amount and purchase price; (ii) any limit on the aggregate principal amount of such Subordinated Debt Securities; (iii) the date or dates on which the principal of such Subordinated Debt Securities is payable and the right, if any, to extend such date or dates; (iv) the rate or rates at which such Subordinated Debt Securities will bear interest or the method of calculating such rate or rates, if any; (v) the date or dates from which such interest shall accrue, the interest payment dates on which such interest will be payable or the manner of determination of such interest payment dates and the record dates for the determination of holders to whom interest is payable on any such interest payment dates; (vi) the right, if any, to defer payments of interest on the Subordinated Debt Securities by extending the interest payment periods and the duration of such extensions (each, an "Extension Period"); (vii) the period or periods within which, the price or prices at which, and the terms and conditions upon which, such Subordinated Debt Securities may be redeemed, in whole or in part, at the option of the Company; (viii) the obligation, if any, of the Company to redeem or purchase such Subordinated Debt Securities at the option of the holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which, such Subordinated Debt Securities shall be redeemed or purchased, in whole or part, pursuant to such obligation; (ix) any applicable United States Federal income tax consequences, including whether and under what circumstances the Company will pay additional amounts on the Subordinated Debt Securities held by a person who is not a U.S. person in

respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the Company will have the option to redeem such Subordinated Debt Securities rather than pay such additional amounts; (x) the form of such Subordinated Debt Securities; (xi) if other than denominations of \$50 or any integral multiple thereof, the denominations in which such Subordinated Debt Securities shall be issuable; (xii) any and all other terms with respect to such Subordinated Debt Securities, including any modification of or additions to the events of default or covenants provided for with respect to the Subordinated Debt Securities, and any terms which may be required by or advisable under applicable laws or regulations not inconsistent with the Subordinated Indenture; (xiii) the terms and conditions upon which the Subordinated Debt Securities may be convertible into or exchanged for Common Stock of the Company; and (xiv) whether such Subordinated Debt Securities are issuable as a global security, and in such case, the identity of the depository.

Unless otherwise indicated in the applicable Prospectus Supplement, the Subordinated Debt Securities will be issued in United States dollars in fully registered form without coupons in denominations of \$50 or integral multiples thereof. No service charge will be made for any transfer or exchange of any Subordinated Debt Securities, but the Company may, except in certain specified cases not involving any transfer, require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Unless otherwise set forth in the applicable Prospectus Supplement, interest on outstanding Subordinated Debt Securities will be paid to holders of record on the date which is 15 days immediately prior to the date such interest is to be paid.

#### GLOBAL SECURITIES

If any Subordinated Debt Securities are represented by one or more Global Securities, the applicable Prospectus Supplement will describe the circumstances, if any, under which beneficial owners of interests in any such Global Security may exchange such interests for Subordinated Debt Securities and of like tenor and principal amount in any authorized form and denomination. Principal of, and any premium and interest on, a Global Security will be payable in the manner described in the applicable Prospectus Supplement.

The specific terms of the depository arrangement with respect to any portion of Subordinated Debt Securities to be represented by a Global Security will be described in the applicable Prospectus Supplement.

#### PAYMENT AND PAYING AGENTS

Payments on Subordinated Debt Securities represented by a Global Security will be made to the depository for the Subordinated Debt Securities. In the event Subordinated Debt Securities are issued in definitive form, principal of and premium, if any, and any interest on Subordinated Debt Securities will be payable, the transfer of the Subordinated Debt Securities will be registrable, and the Subordinated Debt Securities will be exchangeable for Subordinated Debt Securities of other denominations of a like aggregate principal amount at the corporate office of the Subordinated Trustee in the City of New York or at the office of such Paying Agent or Paying Agents as the Company may designate, except that at the option of the Company payment of any interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by wire transfer to an account maintained by the Person entitled thereto as specified in the Securities Register, provided that proper transfer instructions have been received by the Regular Record Date. Payment of any interest on Subordinated Debt Securities will be made to the Person in whose name such Subordinated Debt Securities are registered at the close of business on the Regular Record Date for such interest, except in the case of Defaulted Interest. The Regular Record Date for the interest payable on any Interest Payment Date shall be the 15th day (whether or not a Business Day) next preceding such Interest Payment Date. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent. (Section 2.3)

Any monies deposited with the Subordinated Trustee or any Paying Agent or then held by the Company in trust, for the payment of the principal of and premium, if any, or interest on any Subordinated Debt Securities and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall, at the request of the Company, be repaid to the company and the holder of such Subordinated Debt Securities shall thereafter look, as a general unsecured creditor, only to the Company for payment thereof. (Section 10.3)

#### MODIFICATION OF INDENTURE

From time to time, the Company and the Subordinated Trustee may, without the consent of the holders of Subordinated Debt Securities, amend, waive or supplement the Subordinated Indenture for specified purposes, including, among other things, curing ambiguities, defects or inconsistencies (provided that any such action does not materially adversely affect the interest of the holders of the Subordinated Debt Securities, or the holders of the Trust Preferred Securities so long as they remain outstanding) and qualifying, or maintaining the qualification of, the Subordinated Indenture under the Trust Indenture Act. The Subordinated Indenture contains provisions permitting the Company and the Subordinated Trustee, with the consent of the holders of not less than a majority in principal amount of the outstanding Subordinated Debt Securities, to modify the Subordinated Indenture in a manner affecting the rights of the holders of the Subordinated Debt Securities; provided that no such modification may, without the consent of the holder of each outstanding Subordinated Debt Security so affected, (i) change the stated maturity of the Subordinated Debt Securities, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon (other than deferrals of the payments of interest during any Extension Period as described in any applicable Prospectus Supplement) or reduce the premium payable upon the redemption thereof, or impair any right to institute suit for the enforcement of any such payment, or adversely affect the subordination provisions of the Subordinated Indenture or any right to convert any Subordinated Debt Securities or (ii) reduce the percentage of principal amount of Subordinated Debt Securities, the holders of which are required to consent to any such modification of the Subordinated Indenture, provided that, so long as any of the Trust Preferred Securities remain outstanding, (a) no such modification may be made that adversely affects the holders of such Trust Preferred Securities in any material respect, and no termination of the Subordinated Indenture may occur, and no waiver of any Subordinated Debt Securities Event of Default or compliance with any covenant under the Subordinated Indenture may be effective, without the prior consent of the holders of at least a majority in aggregate liquidation amount of the Trust Preferred Securities then outstanding unless and until the principal of and any premium on the Subordinated Debt Securities and all accrued and unpaid interest thereon has been paid in full and (b) where a consent under the Subordinated Indenture would require the consent of each holder of Subordinated Debt Securities, no such consent will be given by the Property Trustee without the prior consent of each holder of the Trust Preferred Securities. (Section 9.2)

#### SUBORDINATED DEBT SECURITIES EVENTS OF DEFAULT

The Subordinated Indenture will provide that any one or more of the following described events that has occurred and is continuing constitutes a "Subordinated Debt Securities Event of Default" with respect to the Subordinated Debt Securities:

- (i) failure for 30 days to pay any interest on the Subordinated Debt Securities, when due (subject to the deferral of any due date in the case of an Extension Period);
- (ii) failure to pay any principal or premium, if any, on the Subordinated Debt Securities when due whether at maturity, upon redemption by declaration or otherwise;
- (iii) failure by the Company to deliver shares of Common Stock upon an appropriate election by holders of Subordinated Debt Securities to convert such Subordinated Debt Securities;

(iv) failure to observe or perform certain other covenants contained in the Subordinated Indenture for 90 days after written notice to the Company from the Subordinated Trustee or to the Subordinated Trustee and the Company from the holders of at least 25% in aggregate outstanding principal amount of such Subordinated Debt Securities; or

(v) certain events in bankruptcy, insolvency or reorganization of the Company. (Section 5.1)

The holders of a majority in aggregate outstanding principal amount of the Subordinated Debt Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Trustee or exercising any trust or power conferred on the Subordinated Trustee consistent with the Subordinated Indenture. The Subordinated Trustee or the holders of not less than 25% in aggregate principal amount of the Subordinated Debt Securities then outstanding may declare the principal due and payable immediately upon a Subordinated Debt Securities Event of Default, and, should the Subordinated Trustee or the holders of the Subordinated Debt Securities fail to make such declaration, the holders of at least 25% in aggregate liquidation amount of the Trust Preferred Securities then outstanding shall have such right. The holders of a majority in aggregate outstanding principal amount of the Subordinated Debt Securities may annul and rescind such declaration if the default (other than the non-payment of the principal of the Subordinated Debt Securities which has become due solely by such acceleration) has been cured or waived and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Subordinated Trustee and, should the holders of the Subordinated Debt Securities fail to annul and rescind such declaration, the holders of a majority in aggregate liquidation amount of the Trust Preferred Securities then outstanding shall have such right. (Section 5.2)

The holders of a majority in aggregate outstanding principal amount of the Subordinated Debt Securities affected thereby may, on behalf of the holders of all the Subordinated Debt Securities, waive any past default, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Subordinated Trustee) or a default in respect of a covenant or provision which under the Subordinated Indenture cannot be modified or amended without the consent of the holder of each outstanding Subordinated Debt Security and, should the holders of the Subordinated Debt Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate liquidation amount of the Trust Preferred Securities shall have such right. (Sections 5.2 and 5.13) The Company is required to file annually with the Subordinated Trustee a certificate as to whether or not the Company is in compliance with all the conditions and covenants applicable to it under the Subordinated Indenture. (Section 10.5)

In case a Subordinated Debt Securities Event of Default shall occur and be continuing as to the Subordinated Debt Securities, the Property Trustee will have the right to declare the principal of and the interest on the Subordinated Debt Securities and any other amounts payable under the Subordinated Indenture to be forthwith due and payable and to enforce its other rights as a creditor with respect to the Subordinated Debt Securities.

#### CONSOLIDATION, MERGER, SALE OF ASSETS AND OTHER TRANSACTIONS

The Subordinated Indenture will provide that the Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and no Person shall consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless (i) in case the Company consolidates with or merges into another Person or conveys, transfers or leases its properties and assets substantially as an entirety to any Person, the successor Person is organized under the laws of the United States or any state or the District of Columbia, and such successor Person expressly assumes the Company's obligations on the Subordinated Debt Securities and under

the Subordinated Indenture; (ii) immediately after giving effect thereto, no Subordinated Debt Securities Event of Default, and no event which, after notice or lapse of time or both, would become a Subordinated Debt Securities Event of Default, shall have happened and be continuing; (iii) such transaction is permitted under the Trust Agreement (as defined herein) and the Trust Guarantee and does not give rise to any breach or violation of the Trust Agreement or the Trust Guarantee; and (iv) certain other conditions as prescribed in the Subordinated Indenture are met. (Section 8.1)

The general provisions of the Subordinated Indenture do not afford holders of the Subordinated Debt Securities protection in the event of a highly leveraged or other transaction involving the Company that may adversely affect holders of the Subordinated Debt Securities.

#### EXPENSES OF THE ALCOA TRUST

Pursuant to the Subordinated Indenture, the Company will pay all of the costs, expenses or liabilities of the Alcoa Trust, other than obligations of the Alcoa Trust to pay to the holders of any Trust Preferred Securities or Trust Common Securities the amounts due such holders pursuant to the terms of the Trust Preferred Securities or Trust Common Securities. (Section 10.9)

#### SATISFACTION AND DISCHARGE

The Subordinated Indenture will provide that when, among other things, all Subordinated Debt Securities not previously delivered to the Subordinated Trustee for cancellation (i) have become due and payable or (ii) will become due and payable at their stated maturity within one year or are to be properly called for redemption within one year, and the Company deposits or causes to be deposited with the Subordinated Trustee trust funds, in trust, for the purpose and in an amount in the currency or currencies in which the Subordinated Debt Securities are payable sufficient to pay and discharge the entire indebtedness on the Subordinated Debt Securities not previously delivered to the Subordinated Trustee for cancellation, for the principal and premium, if any, and interest to the date of the deposit or to the stated maturity, as the case may be, then the Subordinated Indenture will cease to be of further effect (except as to the Company's obligations to pay all other sums due pursuant to the Subordinated Indenture and to provide the officers' certificates and opinions of counsel described therein), and the Company will be deemed to have satisfied and discharged the Subordinated Indenture. (Section 4.1)

#### SUBORDINATION

In the Subordinated Indenture, the Company has covenanted and agreed that any Subordinated Debt Securities issued thereunder will be subordinate and junior in right of payment to all Senior Debt (as defined below) of the Company whether now existing or hereinafter incurred. Upon any payment or distribution of assets of the Company to creditors upon any liquidation, dissolution, winding-up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding of the Company, the holders of Senior Debt will first be entitled to receive payment in full of principal of and premium, if any, and interest, if any, on such Senior Debt before the Property Trustee, on behalf of the holders of the Subordinated Debt Securities, will be entitled to receive or retain any payment in respect of the principal of and premium, if any, or interest, if any, on the Subordinated Debt Securities. (Sections 12.1 and 12.2)

In the event of the acceleration of the maturity of any Subordinated Debt Securities, the holders of all Senior Debt outstanding at the time of such acceleration will first be entitled to receive payment in full of all amounts due thereon (including any amounts due upon acceleration) before the holders of Subordinated Debt Securities will be entitled to receive or retain any payment in respect of the principal of or premium, if any, or interest, if any, on the Subordinated Debt Securities. (Section 12.1)

No payments on account of principal (or premium, if any) or interest, if any, in respect of the Subordinated Debt Securities may be made if there shall have occurred and be continuing a default in any payment with respect to Senior Debt, or an event of default with respect to any Senior Debt resulting in the acceleration of the maturity thereof, or if any judicial proceeding shall be pending with respect to any such default. (Section 12.3)

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed; (ii) every obligation of such Person evidenced by bonds, Subordinated Debt Securities, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (iv) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business); (v) every capital lease obligation of such Person; and (vi) every obligation of the type referred to in clauses (i) through (v) of another Person and all dividends of another person the payment of which, in either case, such Person has guaranteed or for which such Person is responsible or liable, directly or indirectly, as obligor or otherwise.

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not such claim for post-petition interest is allowed in such proceeding), on Debt of the Company, whether incurred on or prior to the date of the Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Subordinated Debt Securities.

The Subordinated Indenture will place no limitation on the amount of additional Senior Debt that may be incurred by the Company.

#### GOVERNING LAW

The Subordinated Indenture and the Subordinated Debt Securities will be governed by and construed in accordance with the laws of the State of New York. (Section 1.12)

#### INFORMATION CONCERNING THE SUBORDINATED TRUSTEE

The Chase Manhattan Bank is the trustee under the Subordinated Indenture. The Subordinated Trustee is under no obligation to exercise any of the powers vested in it by the Subordinated Indenture at the request of any holder of Subordinated Debt Securities, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The Subordinated Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the Subordinated Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it. The Company and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowing in the ordinary course of business, with The Chase Manhattan Bank.

## DESCRIPTION OF WARRANTS

The Company may issue, together with any Senior Debt Securities offered by any Prospectus Supplement or separately, Warrants for the purchase of other Senior Debt Securities. The Warrants are to be issued under Warrant Agreements (each a "Warrant Agreement") to be entered into between the Company and a bank or trust company, as Warrant Agent (the "Warrant Agent"), all as set forth in the Prospectus Supplement relating to the particular issue of Warrants. A copy of the form of Warrant Agreement, including the form of Warrant Certificates representing the Warrants (the "Warrant Certificates"), reflecting the alternative provisions to be included in the Warrant Agreements that will be entered into with respect to particular offerings of Warrants, is filed with the Commission and incorporated by reference as an exhibit to the Registration Statement. The following summaries of certain provisions of the Warrant Agreement and the Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Warrant Agreement and the Warrant Certificates, respectively.

The Prospectus Supplement will describe the terms of the Warrants, the Warrant Agreement relating to the Warrants and the Warrant Certificates representing the Warrants, including the following: (1) the designation, aggregate principal amount and terms of the Senior Debt Securities purchasable upon exercise of the Warrants; (2) the designation and terms of any related Senior Debt Securities with which the Warrants are issued and the number of Warrants issued with each such Senior Debt Security; (3) the date, if any, on and after which the Warrants and the related Senior Debt Securities will be separately transferable; (4) the principal amount of Senior Debt Securities purchasable upon exercise of one Warrant and the price at which such principal amount of Senior Debt Securities may be purchased upon such exercise; (5) the date on which the right to exercise the Warrants shall commence and the date (the "Expiration Date") on which such right shall expire; and (6) whether the Warrants represented by the Warrant Certificates will be issued in registered or bearer form, and if registered, where they may be transferred and registered.

If the Senior Debt Securities purchasable upon exercise of the Warrants are issuable in bearer form, such Warrants shall not be offered nor constitute an offer to, and Bearer Senior Debt Securities issuable upon exercise of such Warrants shall not be issued to, United States persons other than to offices outside the United States of certain United States financial institutions.

Warrant Certificates will be exchangeable for new Warrant Certificates of different denominations and Warrants may be exercised at the corporate trust office of the Warrant Agent or any other office indicated in the Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of Holders of the Senior Debt Securities purchasable upon such exercise and will not be entitled to payments of principal of (and premium, if any) or interest, if any, on the Senior Debt Securities purchasable upon such exercise.



## DESCRIPTION OF PREFERRED STOCK

The Company's Articles of Incorporation, as amended (the "Articles"), authorize the issuance of two classes of preferred stock, 660,000 shares of \$3.75 Cumulative Preferred Stock, par value \$100.00 per share ("Class A Stock") and 10,000,000 shares of Class B Serial Preferred Stock, par value \$1.00 per share ("Class B Stock"). As of June 29, 1998, there were 557,649 shares of Class A Stock outstanding and no shares of Class B Stock outstanding. No additional shares of Class A Stock may be issued. The Company initiated an ongoing program to purchase and retire shares of Class A Stock in 1989.

The following description of Class B Stock sets forth certain general terms and provisions of the series of Class B Stock to which any Prospectus Supplement may relate. The specific terms of a particular series of Class B Stock will be described in the Prospectus Supplement relating to such series of the Class B Stock offered pursuant thereto. If so indicated in the Prospectus Supplement relating thereto, the terms of any such series of Class B Stock may differ from the terms set forth below. The description of Class B Stock set forth below and the description of the terms of a particular series of Class B Stock set forth in the Prospectus Supplement relating thereto do not purport to be complete and are qualified in their entirety by reference to the Company's Articles and the Statement with Respect to Shares relating to such series of Class B Stock, which will be filed or incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part.

### GENERAL

The Board of Directors of the Company has the authority to issue shares of Class B Stock in one or more series and to fix the specific number of shares and, subject to the Articles, the relative rights and preferences of any such series so established; provided that all shares of preferred stock shall be identical except as to the following relative rights and preferences, any of which may vary between different series: (i) the rate of dividend (including the date from which dividends shall be cumulative and, with respect to the Class B Stock, whether such dividend rate shall be fixed or variable and the methods, procedures and formulas for the recalculation or periodic resetting of any variable dividend rate); (ii) the price at, and the terms and conditions on, which shares may be redeemed; (iii) the amounts payable on shares in the event of voluntary or involuntary liquidation; (iv) sinking fund provisions for the redemption or purchase of shares in the event shares of any series of preferred stock are issued with sinking fund provisions; and (v) the terms and conditions on which the shares of any series may be converted in the event the shares of any series are issued with the privilege of conversion. Each share of any series of Class B Stock shall be identical with all other shares of any such series, except as to the date from which dividends shall be cumulative.

The Prospectus Supplement will set forth the following specific terms regarding the series of Class B Stock offered thereby: (i) the designation, number of shares and liquidation preference per share; (ii) the initial public offering price; (iii) the dividend rate or rates, or the method of determining the dividend rate or rates; (iv) the index, if any, upon which the amount of dividends, if any, is determined; (v) the dates on which dividends, if any, will accrue and be payable, that such dividends will be cumulative, and the designated record dates for determining the holders entitled to such dividends; (vi) any redemption or sinking fund provisions; (vii) any conversion or exchange provisions; (viii) provisions for issuance of global securities; (ix) the currency (which may be composite currency) in which payment of dividends, if any, shall be payable if other than United States dollars; (x) voting rights, if any, (except as otherwise required by law); and (xi) any additional terms, preferences or rights and qualifications, limitations or restrictions thereof.

The shares of Class B Stock will, when issued, be fully paid and nonassessable and will have no preemptive rights.

The transfer agent, registrar, dividend disbursing agent and redemption agent for the Class B Stock will be specified in the Prospectus Supplement relating thereto.

## DIVIDENDS

The holders of Class A Stock are entitled to receive, when and as declared by the Board of Directors of the Company, out of funds legally available therefor, cumulative cash dividends at the annual rate of \$3.75 per share, payable quarterly on the first day of January, April, July and October in each year.

The holders of the Class B Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors of the Company, out of funds legally available therefor, cumulative cash or other dividends at such rate or rates and on such dates as the Board of Directors determines in respect of such series and will be set forth in the Prospectus Supplement relating to such series of Class B Stock. Such rates may be fixed or variable or both. No dividends may be declared in respect of any dividend period on any series of Class B Stock, unless all accrued dividends and the current quarter yearly dividend on Class A Stock shall have been paid in full or contemporaneously are declared and set apart. In the event that full cumulative dividends on shares of a series of Class B Stock have not been declared and paid or set apart when due, dividends thereon shall be declared and paid pro rata to the holders of such series entitled thereto. No interest shall be payable in respect of any dividend payment on the Class A Stock or the Class B Stock which may be in arrears.

In the event that full cumulative dividends on any class or series of Class A Stock or Class B Stock (including dividends for the current quarter yearly dividend period for shares of Class A Stock) have not been declared and paid or set apart when due, the Company may not declare or pay any dividends on, or make other distributions on or make payment on account of the purchase, redemption, or other retirement, of Common Stock. No restriction applies to the repurchase or redemption of Class A Stock or Class B Stock by the Company while there is any arrearage in the payment of dividends or any applicable sinking fund installments on such stock.

## REDEMPTION

At the option of its Board of Directors at any time, the Company may redeem the whole or any part of the Class A Stock, at par, plus accrued dividends. Notice of redemption must be given by publication in daily newspapers of general circulation in New York City and in Pittsburgh, Pennsylvania; and by mail to each record holder not less than 30 days nor more than 60 days prior to the date fixed for redemption. In case of a redemption of a part only of the Class A Stock at the time outstanding, the shares to be redeemed shall be selected pro rata or by lot as determined by the Board of Directors of the Company.

If notice of redemption has been given, from and after the redemption date for the shares of Class A Stock called for redemption (unless default shall be made by the Company in providing money for the payment of the redemption price of the shares so called for redemption), dividends on the shares of Class A Stock so called for redemption will cease to accrue, such shares will no longer be deemed to be outstanding, and all rights of the holders thereof as shareholders of the Company (except the right to receive the redemption price) will cease. Upon surrender in accordance with such notice of the certificates representing any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Company will so require and the notice shall so state), the redemption price referred to above will be paid out of funds provided by the Company. If fewer than all of the shares represented by any such certificate are redeemed, a new certificate will be issued representing the unredeemed shares without cost to the holder thereof. All shares of Class A Stock so redeemed shall be cancelled and shall not be reissued.

The terms and conditions under which the whole or any part of any series of the Class B Stock may be redeemed shall be established by the Board of Directors prior to the issuance thereof. Unless otherwise determined by the Board of Directors, all shares of Class B Stock so redeemed or otherwise acquired by the Company shall be returned to the status of authorized but unissued shares.

## LIQUIDATION PREFERENCE

Upon any liquidation, dissolution or winding up of the Company, the holders of Class A Stock shall be entitled to receive out of the assets of the Company available for distribution to shareholders the full respective preferential amounts to which they are entitled before any distribution of assets is made to or set apart for the holders of Class B Stock. The holders of shares of each series of Class B Stock shall be entitled to receive out of the assets of the Company available for distribution to shareholders the full respective preferential amounts to which they are entitled before any distribution of assets is made to or set apart for the holders of Common Stock, with respect to the Class B Stock, plus all dividends which have accrued on such series of Class B Stock and have not been paid or declared and a sum sufficient for payment thereof set apart, an amount described in the Prospectus Supplement relating to such series of Class B Stock. If, in any case of any such liquidation, dissolution or winding up of the Company, the assets of the Company or the proceeds thereof shall be insufficient to pay in full the amounts payable with respect to shares of each series of Class B Stock, the holders of shares of such series of Class B Stock will share ratably in any such distribution of assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment to the holders of shares of such series of Class B Stock of the full preferential amounts to which they are entitled, the holders of shares of such series of Class B Stock will not be entitled to any further participation in any distribution of assets by the Company, unless otherwise provided in the Prospectus Supplement. A consolidation or merger of the Company with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up of the Company.

## CONVERSION AND EXCHANGE RIGHTS

The terms, if any, on which shares of any series of Class B Stock are convertible into or exchangeable for Common Stock will be set forth in the Prospectus Supplement relating thereto. Such terms may include provisions for conversion or exchange, either mandatory, at the option of the holder, or at the option of the Company, in which the number of shares of Common Stock to be received by the holders of Class B Stock would be calculated according to the market price of Common Stock as of a time stated in the Prospectus Supplement.

## VOTING RIGHTS

Except as indicated below or in the Prospectus Supplement relating to a particular series of the Class B Stock, or except as expressly required by applicable law, the holders of Class B Stock will not be entitled to vote.

Pennsylvania law requires that holders of outstanding shares of a particular class or series be entitled to vote as a class on an amendment to the Articles that would (i) authorize the Board of Directors to fix and determine the relative rights and preferences as between series of any preferred stock or special class of stock; (ii) change the preferences, limitations or other special rights of the shares of a class or series adverse to that class or series; (iii) authorize a new class or series of shares having a preference as to dividends or assets which is senior to shares of a particular class or series; or (iv) increase the number of authorized shares of any particular class or series having a preference as to dividends or assets which is senior in any respect to the shares of such class or series.

The Board of Directors, pursuant to the Company's Articles, may limit or eliminate the voting rights applicable to any series of Class B Stock prior to the issuance of such series, except as otherwise required by law. Any one or more series of the Class B Stock may be issued with such additional voting rights, exercisable only during certain extended periods of dividend arrearages, as the Board of Directors may determine to be required to qualify the series for listing on a recognized stock exchange. Such rights may only be granted if there are no shares of Class A Stock outstanding.

On matters on which holders of such series and holders of any other series of Class B Stock are entitled to vote as a single class, each full share of any series of the Class B Stock shall be entitled to one vote. Therefore, the voting power of such series will depend on the number of shares in such series, not the liquidation preference or initial offering price of the shares of such series of the Class B Stock.

So long as any shares of Class A Stock or Class B Stock remain outstanding, without the consent of the holders of at least a majority of the outstanding Class A Stock and Class B Stock, voting as a class, the Company shall not (i) authorize any additional class of stock or increase the authorized number of shares of the Class A Stock or Class B Stock or any class of stock ranking on a parity with the Class A Stock or Class B Stock, as the case may be, as to dividends or assets or (ii) merge or consolidate with any other corporation if the corporation surviving or resulting from such merger or consolidation would have any authorized class of stock ranking senior to or on a parity with the Class A Stock or Class B Stock except the same number of shares of stock with the same rights and preferences as the authorized stock of the corporation immediately preceding such merger or consolidation.

So long as any shares of Class A Stock or Class B Stock remain outstanding, without the consent of the holders of at least two-thirds of the outstanding Class A Stock and Class B Stock, the Company shall not (i) make any change in the rights and preferences of the Class A Stock or Class B Stock so as to affect such stock adversely (provided, however, that if any such change would affect any series of Class A Stock or Class B Stock adversely as compared with the effect thereof upon any other series of Class A Stock or Class B Stock, no such change shall be made without the additional consent of the holders of at least two-thirds of the outstanding shares of such series of Class A Stock or Class B Stock), (ii) authorize any additional class of stock or increase the authorized number of shares of any class of stock ranking senior to the Class A Stock or Class B Stock as to dividends or assets or (iii) sell or otherwise part with control of all or substantially all of its property or business or voluntarily liquidate, dissolve or wind up its affairs.

#### DESCRIPTION OF COMMON STOCK

The Company is authorized to issue 600,000,000 shares of Common Stock, par value \$1.00 per share. As of June 29, 1998, there were 164,796,822 shares of Common Stock outstanding. In addition, as of such date, there were 14,124,241 shares of Common Stock issued and held in the treasury of the Company and an aggregate of 23,229,499 shares of Common Stock reserved for issuance under various incentive plans.

#### DIVIDEND RIGHTS

The holders of Common Stock are entitled to receive dividends, when and as declared by the Board of Directors, but no dividend shall be declared or paid on the Common Stock so long as any preferred stock remains outstanding, unless all dividends accrued on all classes of the Company's preferred stock and the current quarter yearly dividend on the Class A Stock shall have been paid or declared and a sum sufficient for payment therefor set apart.

#### VOTING RIGHTS

The holders of Common Stock are entitled to one vote per share.

## LIQUIDATION RIGHTS

Upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, after payments to holders of preferred stock of such amount as shall have been fixed by the Board of Directors, plus accrued dividends, the remaining assets of the Company shall belong to and be divided among the holders of Common Stock. The consolidation or merger of the Company with or into any other corporation or corporations or a share exchange or division involving the Company pursuant to applicable law will not be deemed a liquidation, dissolution or winding up of the Company under the Company's Articles.

## PREEMPTIVE OR OTHER SUBSCRIPTION RIGHTS

The holders of Common Stock have no right to participate in any right of subscription to any increased or additional capital stock of the Company.

## CONVERSION AND OTHER RIGHTS

The Common Stock does not have any conversion, redemption or sinking fund provisions applicable thereto and is not liable to further call or assessment by the Company. All outstanding shares of Common Stock are fully paid and non-assessable.

## OTHER MATTERS

The Articles of the Company provide for a classified Board of Directors with staggered three year terms, establish special shareholder voting requirements to remove directors and establish certain procedures relating to the nomination of directors, filling of vacancies and the vote required to amend or repeal any of these provisions. The Articles also prohibit the Company's payment of "green-mail," that is, payment of a premium in purchasing shares of its Common Stock from a present or recent holder of 5% or more of the Common Stock, except with the approval of a majority of the disinterested shareholders. This provision and the classified board provision may be amended or repealed only with the affirmative vote of at least 80% of the Common Stock. In addition, the Articles limit or eliminate to the fullest extent permitted by Pennsylvania law as from time to time in effect the personal liability of the Company's directors for monetary damages, and authorize the Company, except as prohibited by law, to indemnify directors, officers, employees and others against liabilities and expenses incurred by them in connection with the performance of their duties to the Company. The classified Board article provision and the anti-"greenmail" provision may have certain anti-takeover effects.

The Company is governed by certain "anti-takeover" provisions in the Pennsylvania Business Corporation Law (the "PCBL"). Chapter 25 of the PCBL contains several anti-takeover provisions that apply to registered corporations such as the Company. Section 2538 of the PCBL provides that if an interested shareholder of a registered corporation (together with others acting jointly or in concert therewith and affiliates thereof) (i) is to be a party to a merger or consolidation, a share exchange or certain sales of assets involving such corporation or a subsidiary thereof; (ii) is to receive a disproportionate amount of any of the securities of any corporation surviving or resulting from a division of such corporation; (iii) is to be treated differently from others holding shares of the same class in a voluntary dissolution of such corporation; or (iv) is to have his or her percentage of voting or economic share interest in such corporation materially increased relative to substantially all other shareholders in a reclassification, then the transactions being proposed must be approved by the affirmative vote of the holders of shares representing at least a majority of the votes that all shareholders (other than the interested shareholder) are entitled to cast with respect to such transaction, excluding all such voting shares beneficially owned by such interested shareholder. Such special voting requirement does not apply if the transaction being proposed has been approved in a prescribed manner by such corporation's board of directors or certain other conditions (including the amount of consideration to be paid to certain shareholders) are satisfied or the transaction involves certain subsidiaries.

Section 2555 of the PBCL may apply to a transaction between a registered corporation and an interested shareholder thereof, notwithstanding that Section 2538 is also applicable. Section 2555 prohibits such a corporation from engaging in a business combination with an interested shareholder unless: (i) the board of directors of such corporation gives prior approval to the proposed transaction or gives prior approval to the interested shareholder's acquisition of 20% of the shares entitled to vote in an election of directors of such corporation, (ii) the interested shareholder owns at least 80% of the stock of such corporation entitled to vote in an election of directors and, no earlier than three months after such interested shareholder reaches such 80% level, the majority of the remaining shareholders approve the proposed transaction and shareholders receive a minimum "fair price" for their shares in the transaction and the other conditions of Section 2556 of the PBCL are met, (iii) holders of all outstanding common stock approve the transaction, (iv) no earlier than 5 years after the interested shareholder acquired the 20%, a majority of the remaining shares entitled to vote in an election of directors approve the transaction, or (v) no earlier than 5 years after the interested shareholder acquired the 20%, a majority of all the shares approve the transaction, all shareholders receive a minimum fair price for their shares, and certain other conditions are met.

The Company's Articles also provide that the Company may not engage in any stock repurchases at prices greater than the current fair market value from an interested shareholder. Under the PBCL, when a person or group of persons acting in concert holds 20% of the shares of a registered corporation entitled to vote in the election of directors (a "Control Group"), on the occurrence of the transaction that makes the group a control group, any other shareholder of the registered corporation who objects can, under procedures set forth in the statute, require the Control Group to purchase his or her shares at "fair value," as defined in the PBCL.

The PBCL also contains certain provisions applicable to a registered corporation such as the Company which, under certain circumstances, permit a corporation to redeem "control shares," as defined in the PBCL, remove the voting rights of control shares and require the disgorgement of profits by a "controlling person," as defined in the PBCL.

The transfer agent and registrar for the Common Stock is First Chicago Trust Company of New York.

## DESCRIPTION OF TRUST PREFERRED SECURITIES AND TRUST GUARANTEE

### TRUST PREFERRED SECURITIES

The Declaration pursuant to which the Alcoa Trust is organized will be replaced by an Amended and Restated Trust Agreement (the "Trust Agreement") which will authorize the Trustees of the Alcoa Trust to issue on behalf of the Alcoa Trust one series of Trust Preferred Securities and one series of Trust Common Securities (together, the "Trust Securities"). The Trust Preferred Securities will be issued to the public pursuant to the Registration Statement of which this Prospectus forms a part, and the Trust Common Securities will be issued directly or indirectly to the Company.

The Trust Preferred Securities will have such terms, including dividends, redemption, voting, conversion, liquidation rights and such other preferred, deferred or other special rights or such restrictions as shall be set forth in the Trust Agreement or made part of the Trust Agreement by the Trust Indenture Act. Reference is made to the applicable Prospectus Supplement relating to the Trust Preferred Securities of the Alcoa Trust for specific terms, including (i) the distinctive designation of Trust Preferred Securities, (ii) the number of Trust Preferred Securities issued by the Alcoa Trust, (iii) the annual dividend rate (or method of determining such rate) for Trust Preferred Securities issued by the Alcoa Trust and the date or dates upon which such dividends shall be payable, (iv) whether dividends on Trust Preferred Securities issued by the Alcoa Trust shall be cumulative, and, in the case of Trust Preferred Securities having such cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on Trust Preferred Securities issued by the Alcoa Trust shall be cumulative, (v) the amount or amounts which shall be paid out of the assets of the Alcoa Trust to the holders of Trust Preferred Securities of the Alcoa Trust upon voluntary or involuntary dissolution, winding-up or termination of the Alcoa Trust, (vi) the terms and conditions, if any, under which Trust Preferred Securities of the Alcoa Trust may be converted into shares of capital stock of the Company, including the conversion price per share and the circumstances, if any, under which any such conversion right shall expire, (vii) the terms and conditions, if any, upon which the related series of the Subordinated Debt Securities of the Company may be distributed to holders of Trust Preferred Securities of the Alcoa Trust, (ix) the obligation, if any, of the Alcoa Trust to purchase or redeem Trust Preferred Securities issued by the Alcoa Trust and the price or prices at which, the period or periods within which and the terms and conditions upon which Trust Preferred Securities issued by the Alcoa Trust shall be purchased or redeemed, in whole or in part, pursuant to such obligation, (x) the voting rights, if any, of Trust Preferred Securities issued by the Alcoa Trust in addition to those required by law, including the number of votes per Trust Preferred Security and any requirement for the approval by the holders of Trust Preferred Securities, as a condition to specified action or amendments to the Trust Agreement, and (xi) any other relevant rights, preferences, privileges, limitations or restrictions of Trust Preferred Securities issued by the Alcoa Trust consistent with the Trust Agreement or with applicable law. Pursuant to the Trust Agreement, the Property Trustee will own the Subordinated Debt Securities of the Company purchased by the Alcoa Trust for the benefit of the holders of the Trust Preferred Securities and the Trust Common Securities. The payment of dividends out of money held by the Alcoa Trust, and payments upon redemption of Trust Preferred Securities or liquidation of the Alcoa Trust, will be guaranteed by the Company to the extent described under "--Trust Guarantee."

Certain United States Federal income tax considerations applicable to an investment in Trust Preferred Securities will be described in the Prospectus Supplement relating thereto.

In connection with the issuance of Trust Preferred Securities, the Alcoa Trust will also issue one series of Trust Common Securities. The Trust Agreement will authorize the Regular Trustees of the Alcoa Trust to issue on behalf of the Alcoa Trust one series of Trust Common Securities having such terms, including dividends, conversion, redemption, voting, liquidation rights or such restrictions as shall be set forth therein. Except as otherwise provided in the Prospectus Supplement relating to the Trust Preferred Securities, the terms of the Trust Common Securities issued by the Alcoa Trust will be

substantially identical to the terms of the Trust Preferred Securities issued by the Alcoa Trust, and the Trust Common Securities will rank pari passu, and payments will be made thereon pro rata with the Trust Preferred Securities, except that, upon an event of default under the Trust Agreement, the rights of the holders of the Trust Common Securities to payment in respect of dividends and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Trust Preferred Securities. Except in certain limited circumstances, the Trust Common Securities will also carry the right to vote and appoint, remove or replace any of the Trustees of the Alcoa Trust. All of the Trust Common Securities of the Alcoa Trust will be directly or indirectly owned by the Company.

The Company and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowings in the ordinary course of business, with the Property Trustee.

#### TRUST GUARANTEE

Set forth below is a summary of information concerning the Trust Guarantee which will be executed and delivered by the Company for the benefit of the holders of Trust Preferred Securities. The accompanying Prospectus Supplement will describe any significant differences between the actual terms of the Trust Guarantee and the summary below. The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Trust Guarantee, which is filed with the Commission and incorporated by reference as an exhibit to the Registration Statement of which this Prospectus forms a part.

General. The Company will irrevocably and unconditionally agree, to the extent set forth in the Trust Guarantee, to pay in full, to the holders of Trust Preferred Securities, the Trust Guarantee Payments (as defined below) (except to the extent paid by the Alcoa Trust), as and when due, regardless of any defense, right of set-off or counterclaim which the Alcoa Trust may have or assert. The following payments with respect to the Trust Preferred Securities to the extent not paid by the Alcoa Trust (the "Trust Guarantee Payments") will be subject to the Trust Guarantee (without duplication): (i) any accrued and unpaid dividends which are required to be paid on the Trust Preferred Securities, to the extent the Alcoa Trust shall have funds legally available therefor, (ii) the redemption price, including all accrued and unpaid dividends (the "Redemption Price"), payable out of funds legally available therefor, with respect to any Trust Preferred Securities called for redemption by the Alcoa Trust and (iii) upon a liquidation of the Alcoa Trust (other than in connection with the distribution of Subordinated Debt Securities of the Company to the holders of the Trust Preferred Securities or the redemption of all of the Trust Preferred Securities issued by the Alcoa Trust), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid dividends on the Trust Preferred Securities to the date of payment and (b) the amount of assets of the Alcoa Trust remaining available for distribution to holders of Trust Preferred Securities in liquidation of the Alcoa Trust. The Company's obligation to make a Trust Guarantee Payment may be satisfied by direct payment of the required amounts by the Company to the holders of Trust Preferred Securities or by causing the Alcoa Trust to pay such amounts to such holders.

Covenants of the Company. In the Trust Guarantee, the Company will covenant that, so long as any Trust Preferred Securities issued by the Alcoa Trust remain outstanding, if there shall have occurred any event that would constitute an event of default under the Trust Guarantee or the Trust Agreement, then (a) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its Common Stock (other than (i) purchases or acquisitions of shares of Common Stock in connection with the satisfaction by the Company of its obligations under any employee benefit plan, (ii) as a result of a reclassification of the Company's Common Stock or the exchange or conversion of one class or series of the Company's Common Stock for another class or series of the Company's Common Stock, (iii) the purchase of fractional interests in shares of the Company's Common Stock pursuant to the conversion



or exchange provisions of such Common Stock of the Company or the security being converted or exchanged or (iv) purchases or acquisitions of shares of Common Stock to be used in connection with acquisitions of Common Stock by shareholders pursuant to the Company's dividend reinvestment plan) or make any guarantee payments with respect to the foregoing and (b) the Company shall not make any payment of principal or premium, if any, on or repurchase any debt securities (including guarantees) other than at stated maturity issued by the Company which rank pari passu with or junior to the Subordinated Debt Securities.

**Amendment and Assignment.** Except with respect to any changes which do not adversely affect the rights of holders of Trust Preferred Securities (in which case no vote will be required), the Trust Guarantee with respect to the Trust Preferred Securities may be changed only with the prior approval of the holders of not less than a majority in liquidation amount of the outstanding Trust Preferred Securities. The manner of obtaining any such approval of holders of the Trust Preferred Securities will be as set forth in an accompanying Prospectus Supplement. All guarantees and agreements contained in the Trust Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Company and shall inure to the benefit of the holders of the Trust Preferred Securities then outstanding.

**Termination of the Trust Guarantee.** The Trust Guarantee will terminate as to the Trust Preferred Securities issued by the Alcoa Trust (a) upon full payment of the redemption price of all Trust Preferred Securities of the Alcoa Trust, (b) upon distribution of the Subordinated Debt Securities of the Company held by the Alcoa Trust to the holders of the Trust Preferred Securities of the Alcoa Trust or (c) upon full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Alcoa Trust. The Trust Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of Trust Preferred Securities issued by the Alcoa Trust must restore payment of any sums paid under such Trust Preferred Securities or such Trust Guarantee. The subordination provisions of the Subordinated Debt Securities and the Trust Guarantee, respectively, will provide that in the event payment is made on the Subordinated Debt Securities or the Trust Guarantee in contravention of such provisions, such payments will be paid over to the holders of Senior Debt.

**Ranking of the Trust Guarantee.** The Trust Guarantee will constitute an unsecured obligation of the Company and will rank (i) subordinate and junior in right of payment to all other liabilities of the Company, (ii) pari passu with the most senior preferred or preference stock, if any, hereafter issued by the Company and with any guarantee hereafter entered into by the Company in respect of any preferred or preference stock or interests of any affiliate of the Company and (iii) senior to the Company's Common Stock. The Trust Agreement will provide that each holder of Trust Preferred Securities by acceptance thereof agrees to the subordination provisions and other terms of the Trust Guarantee.

The Trust Guarantee will constitute a guarantee of payment and not of collection. The Trust Guarantee will be deposited with the Property Trustee to be held for the benefit of the Trust Preferred Securities. The Property Trustee will have the right to enforce the Trust Guarantee on behalf of the holders of the Trust Preferred Securities. The holders of not less than a majority in aggregate liquidation amount of the Trust Preferred Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available in respect of the Trust Guarantee, including the giving of directions to the Property Trustee. If the Property Trustee fails to enforce the Trust Guarantee as above provided, any holder of Trust Preferred Securities may institute a legal proceeding directly against the Company to enforce its rights under the Trust Guarantee, without first instituting a legal proceeding against the Alcoa Trust, or any other person or entity. The Trust Guarantee will not be discharged except by payment of the Trust Guarantee Payments in full to the extent not paid by the Alcoa Trust, and by complete performance of all obligations under the Trust Guarantee.

**Governing Law.** The Trust Guarantee will be, governed by and construed in accordance with, the laws of the State of New York.

## PLAN OF DISTRIBUTION

The Company and/or the Alcoa Trust, as the case may be, may sell Offered Securities to one or more underwriters for public offering and sale by them or may sell Offered Securities to investors directly or through agents. Any such underwriter or agent involved in the offer and sale of the Offered Securities will be named in an applicable Prospectus Supplement.

Underwriters may offer and sell the Offered Securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Company and/or the Alcoa Trust, as the case may be, also may, from time to time, authorize underwriters acting as the Company's and/or the Alcoa Trust's agents to offer and sell the Offered Securities upon the terms and conditions as shall be set forth in any Prospectus Supplement. In connection with the sale of Offered Securities, underwriters may be deemed to have received compensation from the Company and/or the Alcoa Trust in the form of underwriting discounts or commissions and may also receive commissions from purchasers of Offered Securities for whom they may act as agent. Underwriters may sell Offered Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions (which may be changed from time to time) from the purchasers for whom they may act as agent.

Any underwriting compensation paid by the Company and/or the Alcoa Trust to underwriters or agents in connection with the offering of Offered Securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in an applicable Prospectus Supplement. Underwriters, dealers and agents participating in the distribution of the Offered Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the Offered Securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled, under agreements with the Company and/or the Alcoa Trust, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Act, and to reimbursement by the Company and/or the Alcoa Trust for certain expenses.

If so indicated in an applicable Prospectus Supplement, the Company and/or the Alcoa Trust will authorize dealers acting as the Company's and/or the Alcoa Trust's agents to solicit offers by certain institutions to purchase Offered Securities from the Company and/or the Alcoa Trust at the public offering price set forth in such Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on the date or dates stated in such Prospectus Supplement. Each Contract will be for an amount not less than, and the aggregate amount of Offered Securities sold pursuant to Contracts shall be not less nor more than, the respective amounts stated in such Prospectus Supplement. Institutions with whom Contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and other institutions, but will in all cases be subject to the approval of the Company and/or the Alcoa Trust. Contracts will not be subject to any conditions except (i) the purchase by an institution of the Offered Securities covered by its Contracts shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject, and (ii) if the Offered Securities are being sold to underwriters, the Company and/or the Alcoa Trust shall have sold to such underwriters the total principal amount of the Offered Securities less the principal amount thereof covered by Contracts. Agents and underwriters will have no responsibility in respect of the delivery or performance of Contracts.

Each underwriter, dealer and agent participating in the distribution of any Offered Securities which are issuable in bearer form will agree that it will not offer, sell or deliver, directly or indirectly, Offered Securities in bearer form in the United States or to United States persons (other than qualifying

financial institutions) during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)).

All Offered Securities will be a new issue of securities with no established trading market. Any underwriters to whom Offered Securities are sold by the Company and/or the Alcoa Trust for public offering and sale may make a market in such Offered Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the secondary market for any Offered Securities.

Certain of the underwriters or agents and their associates may be customers of, engage in transactions with and perform services for the Company and its subsidiaries in the ordinary course of business.

#### LEGAL OPINIONS

Unless otherwise indicated in the applicable Prospectus Supplement, the validity of the Company Securities will be passed upon for the Company by Denis A. Demblowski, Esq., Senior Counsel of the Company. The validity of the Trust Preferred Securities will be passed upon for the Alcoa Trust by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, special counsel to the Company and the Alcoa Trust. The validity of the Offered Securities will be passed upon for any underwriters or agents by Cravath, Swaine & Moore, New York, New York. Mr. Demblowski is a participant in the stock option plan and various other employee benefit plans offered to employees of the Company.

#### EXPERTS

The consolidated financial statements and related schedules in the Company's Annual Report on Form 10-K for the year ended December 31, 1997, incorporated by reference in this Prospectus, have been incorporated herein by reference in reliance upon the reports of PricewaterhouseCoopers LLP given upon their authority as experts in auditing and accounting.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION:

The expenses in connection with the issuance and distribution of the securities being registered, other than underwriting compensation, are:

Registration Fee.....	\$309,750
Rating Agency Fees.....	210,000
Printing and Engraving.....	60,000
Trustees' Fees and Expenses.....	25,000
Accountants' Fees and Expenses.....	10,000
Legal Fees and Expenses.....	100,000
Miscellaneous.....	10,000
	-----
Total.....	\$724,750
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

THE COMPANY

Article V of the ByLaws of the Company (the "ByLaws") provides that the Company shall indemnify, under specified circumstances, persons who were or are directors, officers or employees of the Company or who served or serve other business entities at the request of the Company. Under these ByLaw provisions, a person who is wholly successful in defending a claim will be indemnified for any reasonable expenses. To the extent a person is not successful in defending a claim, reasonable expenses of the defense and any liability incurred are to be indemnified under these provisions only where independent legal counsel or other disinterested person selected by the Board of Directors determines that such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Company, and in addition with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. Any expense incurred with respect to any claim may be advanced by the Company if the recipient agrees to repay such amount if it is ultimately determined that such recipient is not to be indemnified pursuant to Article V.

The foregoing ByLaw provisions generally parallel Sections 1741 and 1745 of the Pennsylvania Business Corporation Law ("PBCL"). Section 1746 and the ByLaws both also provide that the indemnification provided for therein shall not be deemed exclusive of any other rights to which those seeking indemnification may otherwise be entitled.

Section 1746 of the PBCL and the ByLaws provide for increased indemnification protections for directors, officers and others. Indemnification may be provided by Pennsylvania corporations in any case except where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 1713 of the PBCL also sets forth a framework whereby Pennsylvania corporations, with the approval of the shareholders, may limit the personal liability of directors for monetary damages except where the act or omission giving rise to a claim constitutes self-dealing, willful misconduct or recklessness. The section does not apply to a director's responsibility or liability under a criminal or tax statute and may not apply to liability under Federal statutes, such as the Federal securities laws.

The Company's Articles of Incorporation (the "Articles") and ByLaws were amended by the shareholders to implement the increased protections made available to directors under the PBCL as described in the preceding paragraph. Article VIII of the ByLaws provides that, except as prohibited by

law, every director of the Company shall be entitled as of right to be indemnified by the Company for expenses and any and all liability paid or incurred by such person by reason of such person being or having been a director of the Company. Expenses incurred with respect to any claim may be advanced by the Company, subject to certain exceptions. The shareholders have also approved a form of indemnity agreement. The Company has entered into such an indemnity agreement with each of its current directors.

The Company has purchased a one year liability insurance policy with an aggregate limit of \$100 million, with certain specified deductible amounts. The policy provides coverage for various executive and corporate risks, including liability of directors and officers and reimbursement to the Company for indemnification provided to directors and officers. The policy has an expiration date of October 1, 2000 and provides liability insurance and reimbursement coverage for the Company, and its directors and officers, which is permitted by Section 1747 of the PBCL.

The Articles provide that except as prohibited by law, the Company may indemnify any person who is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) and may take such steps as may be deemed appropriate by the Board of Directors, including purchasing and maintaining insurance, entering into contracts (including, without limitation, contracts of indemnification between the Company and its directors and officers), creating a trust fund, granting security interests or using other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect such indemnification. The ByLaws provide for indemnification of such persons to the fullest extent permitted by law.

The Articles also provide that to the fullest extent that the laws of the Commonwealth of Pennsylvania permit elimination or limitation of the liability of directors, no director of the Company shall be personally liable for monetary damages for any action taken, or any failure to take any action.

Section (6)(b) of the Underwriting Agreement, relating to each of the Senior Debt Securities and the Class B Stock (Exhibit (1)(a) and (1)(b), respectively, hereto) and Section 7(b) of the Agency Agreement (Exhibit 1(c) hereto) contain provisions relating to the indemnification by each Underwriter and Agent, respectively, of the Company, officers and directors of the Company and each person, if any, who controls the Company, and Section 6(a) of the Underwriting Agreement, relating to each of the Senior Debt Securities and the Class B Stock, and Section 7(a) of such Agency Agreement contain provisions relating to the indemnification by the Company of each Underwriter and Agent, respectively, and each person controlling the same, against liabilities arising out of any untrue statement of any material fact contained in this Registration Statement, or omission therefrom of any material fact. In addition, Section 8(a) of the form of Underwriting Agreement, relating to the Trust Preferred Securities (Exhibit (1)(d) hereto), contains provisions relating to the indemnification by each Underwriter of the Company and the Alcoa Trust, and Section 8(b) of the form of Underwriting Agreement, relating to the Trust Preferred Securities, contains provisions relating to the indemnification by the Company and the Alcoa Trust of each Underwriter, against liabilities arising out of any untrue statement of any material fact contained in this Registration Statement, or omission therefrom of any material fact.

#### THE ALCOA TRUST

The Trust Agreement pursuant to which the Alcoa Trust is organized will provide that no Regular Trustee, or affiliate of any Regular Trustee, or officer, director, shareholder, member, partner, employee, representative or agent of any Regular Trustee or of any such affiliate, or employee or agent of the Alcoa Trust or its affiliates (each an "Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to the Alcoa Trust or any employee or agent of the Alcoa Trust or its affiliates for any loss, damage or claim incurred by reason of any act or omission performed or

omitted by such Indemnified Person in good faith on behalf of the Alcoa Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by such Trust Agreement or by law, except that an Indemnified Person shall be liable for such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such act or omission. The Trust Agreement also provides that to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Alcoa Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by such Trust Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence or willful misconduct with respect to such act or omission. The Trust Agreement further provides that, to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified for the underlying cause of action as authorized by such Trust Agreement.

#### ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

##### (a) Exhibits:

A list of Exhibits filed herewith is contained on the Exhibit Index and is incorporated herein by reference.

##### (b) Financial Statement Schedules:

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted because they are not required, amounts which would otherwise be required to be shown with respect to any item are not material, are inapplicable, or the required information has already been provided elsewhere in the registration statement.

#### ITEM 17. UNDERTAKINGS.

The undersigned Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or material change to such information in the Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(6) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the foregoing provisions described in Item 15 above, the Registrants have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT OR AMENDMENT THERETO TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF PITTSBURGH AND COMMONWEALTH OF PENNSYLVANIA, ON THE 17TH DAY OF JULY, 1998.

Aluminum Company of America

/s/ Richard B. Kelson

By: \_\_\_\_\_  
 RICHARD B. KELSON  
 EXECUTIVE VICE PRESIDENT AND  
 CHIEF FINANCIAL OFFICER

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT OR AMENDMENT THERETO HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ Paul H. O'Neill ----- PAUL H. O'NEILL	Chairman of the Board and Director (Principal Executive Officer)	July 17, 1998
/s/ Richard B. Kelson ----- RICHARD B. KELSON	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	July 17, 1998
/s/ Earnest J. Edwards ----- EARNEST J. EDWARDS	Senior Vice President and Controller (Principal Accounting Officer)	July 17, 1998

Kenneth W. Dam, Joseph T. Gorman, Judith M. Gueron, Sir Ronald Hampel, Hugh M. Morgan, John P. Mulrone, Paul H. O'Neill, Henry B. Schacht, Franklin A. Thomas and Marina v.N. Whitman, each as a Director, on July 17, 1998, by Denis A. Demblowski, their attorney-in-fact.\*

/s/ Denis A. Demblowski  
 \*By: \_\_\_\_\_  
 DENIS A. DEMBLOWSKI  
 ATTORNEY-IN-FACT



SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, ALCOA TRUST I CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED THEREUNTO DULY AUTHORIZED, IN THE CITY OF PITTSBURGH AND THE COMMONWEALTH OF PENNSYLVANIA ON THE 17TH DAY OF JULY, 1998.

Alcoa Trust I,  
a Delaware business trust

BY: Aluminum Company of America,  
as Depositor

/s/ Richard B. Kelson

BY: \_\_\_\_\_  
RICHARD B. KELSON  
EXECUTIVE VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	EXHIBIT -----
(1)(a)	Form of Underwriting Agreement relating to the Senior Debt Securities and Warrants to Purchase Senior Debt Securities (incorporated by reference to Exhibit 1(a) to Registration Statement No.33-49997 on Form S-3).
(1)(b)	Form of Underwriting Agreement relating to the Class B Stock (incorporated by reference to Exhibit 1(b) to Registration Statement No. 33-49997 on Form S-3).
(1)(c)	Form of Proposed Agency Agreement relating to the Distribution of Medium-Term Notes (incorporated by reference to Exhibit 1(b) to Post-Effective Amendment No. 2 to Registration Statement No. 33-877 on Form S-3).
(1)(d)	Form of Underwriting Agreement for Trust Preferred Securities.*
(2)	Agreement and Plan of Merger among the Company, AMX Acquisition Corp. and Alumax Inc. dated as of March 8, 1998. The Registrant will furnish supplementally a copy of all omitted Schedules to Exhibit 2 upon the request of the Securities and Exchange Commission (incorporated herein by reference to Exhibit (2) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
(3)(a)	Articles of Incorporation of the Company (incorporated by reference to Exhibit 3(i) to Form 10-Q for the quarter ended June 30, 1993).
(3)(b)	ByLaws of the Company (incorporated by reference to Exhibit 3 to Form 10-Q for the quarter ended September 30, 1991).
(4)(a)	Form of Indenture, dated as of September 30, 1993, between the Company and PNC Bank, National Association, as Trustee (undated form of Indenture incorporated by reference to Exhibit 4(a) to Registration Statement No. 33-49997 on Form S-3).
(4)(b)	Form of proposed Warrants to Purchase Senior Debt Securities (incorporated by reference to Exhibit 4(c) to Registration Statement No. 2-78009 on Form S-3).
(4)(c)	Form of proposed Warrant Agreement relating to the Warrants to Purchase Senior Debt Securities (incorporated by reference to Exhibit 4(d) to Registration Statement No. 2-78009 on Form S-3).
(4)(d)	Form of Registered Security which is not an Original Issue Discount Security (included in Exhibit 4(a) as Exhibit A).
(4)(e)	Form of Registered Security which is an Original Issue Discount Security (included in Exhibit 4(a) as Exhibit B).
(4)(f)	Form of Bearer Security which is not an Original Issue Discount Security and form of Related Coupon (included in Exhibit 4(a) as Exhibit C).
(4)(g)	Form of Bearer Security which is an Original Issue Discount Security and form of Related Coupon (included in Exhibit 4(a) as Exhibit D).
(4)(h)	Form of Certificate for Shares of Class B Stock (incorporated by reference to Exhibit 4(h) to Registration Statement No. 33-49997 on Form S-3).
(4)(i)	Form of Certificate for Shares of Common Stock (incorporated by reference to Exhibit 4(i) to Registration Statement No. 33-49997 on Form S-3).
(4)(j)	Form of Subordinated Indenture (including form of Subordinated Debt Security).**

EXHIBIT  
NUMBER  
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EXHIBIT  
-----

- (4)(k) Certificate of Trust of Alcoa Trust I.\*
- (4)(l) Declaration of Trust of Alcoa Trust I.\*
- (4)(m) Form of Amended and Restated Trust Agreement of Alcoa Trust I.\*
- (4)(n) Form of Guarantee Agreement.\*
- (5)(a) Opinion of Denis A. Demblowski, Esq., Senior Counsel of the Company.\*\*
- (5)(b) Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Company and the Alcoa Trust.\*\*
- (12) Computation of Ratio of Earnings to Fixed Charges (incorporated by reference to Exhibit 12 to Form 10-K for the year ended December 31, 1997 and to Exhibit 12 to Form 10-Q for the quarter ended March 31, 1998).
- (21) Subsidiaries of Aluminum Company of America.\*
- (23)(a) Consent of PricewaterhouseCoopers LLP.\*
- (23)(b) Consent of PricewaterhouseCoopers LLP.\*
- (23)(c) Consent of Denis A. Demblowski, Esq., counsel to the Company.\*\*
- (23)(d) Consent of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Company.\*\*
- (24) Powers of Attorney of certain officers and directors.
- (25)(a) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of PNC Bank, National Association, as trustee under the Senior Indenture (incorporated by reference to Exhibit 25 to Registration Statement No. 33-64353 on Form S-3).
- (25)(b) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank, as trustee under the Subordinated Indenture.\*
- (25)(c) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank, as trustee under the Amended and Restated Trust Agreement of Alcoa Trust I.\*
- (25)(d) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank, as trustee under the Guarantee of the Company for the benefit of the holders of Trust Preferred Securities of the Alcoa Trust I.\*

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\*Filed herewith.

\*\*To be filed by amendment.

ALUMINUM COMPANY OF AMERICA

ALCOA TRUST I

PREFERRED SECURITIES

-----  
UNDERWRITING AGREEMENT  
-----

[DATE]

TO THE REPRESENTATIVES OF THE  
SEVERAL UNDERWRITERS NAMED IN THE  
RESPECTIVE PRICING AGREEMENTS  
HEREINAFTER DESCRIBED.

Ladies and Gentlemen:

From time to time Aluminum Company of America, a Pennsylvania corporation (the "Company") and Alcoa Trust I (the "Trust"), propose to enter into one or more Pricing Agreements (each a "Pricing Agreement") in the form of Annex I hereto, with such additions and deletions as the parties thereto may determine, and, subject to the terms and conditions stated herein and therein, to issue and sell to the firms named in Schedule I to the applicable Pricing Agreement (such firms constituting the "Underwriters" with respect to such Pricing Agreement and the securities specified therein) certain trust preferred securities of the Trust (the "Securities") specified in Schedule II to such Pricing Agreement (with respect to such Pricing Agreement, the "Designated Securities").

The terms and rights of any particular issuance of Designated Securities shall be as specified in the Pricing Agreement relating thereto. Each series of Designated Securities will represent undivided beneficial interests in the assets of the Trust, guaranteed (the "Guarantee") by the Company as to the payment of distributions, and as to payments on liquidation or redemption, to the extent set forth in a guarantee agreement (the "Guarantee Agreement") between the Company and [ ], as trustee (the "Guarantee Trustee"). The proceeds of the sale of the Designated Securities and common securities (liquidation amount \$50 per common security) (the "Common Securities") by the Trust are to be invested in [Convertible] Subordinated Debentures (the "Subordinated Debentures") of the Company, to be issued pursuant to an Indenture (the "Indenture") between the Company and [ ], as Trustee (the "Debenture Trustee"). [Designated Securities are convertible into shares of the Company's common stock, par value \$1.00 per share ("Common Stock")].

1. Particular sales of Designated Securities may be made from time to time to the Underwriters of such Designated Securities, for whom the firms designated as representatives of the Underwriters of such Designated Securities in the Pricing Agreement relating thereto will act as representatives (the "Representatives"). The term "Representatives" also refers to a single firm

acting as sole representative of the Underwriters and to an Underwriter or Underwriters who act without any firm being designated as its or their representatives. This Underwriting Agreement shall not be construed as an obligation of the Company or the Trust to sell any of the Securities or as an obligation of any of the Underwriters to purchase the Designated Securities. The obligation of the Trust to issue and sell any of the Designated Securities and the obligation of any of the Underwriters to purchase any of the Designated Securities shall be evidenced by the Pricing Agreement with respect to the Designated Securities specified therein. Each Pricing Agreement shall specify the aggregate liquidation amount of such Designated Securities, the initial public offering price of such Designated Securities, the purchase price to the Underwriters of such Designated Securities, the names of the Underwriters of such Designated Securities, the names of the Representatives of such Underwriters and the liquidation amount of such Designated Securities to be purchased by each Underwriter and shall set forth the date, time and manner of delivery of such Designated Securities and payment therefor. The Pricing Agreement shall also specify (to the extent not set forth in the registration statement and prospectus or prospectus supplement with respect thereto) the terms of such Designated Securities. A Pricing Agreement shall be in the form of an executed writing (which may be in counterparts), and may be evidenced by an exchange of telegraphic communications or any other rapid transmission device designed to produce a written record of communications transmitted. The obligations of the Underwriters under this Agreement and each Pricing Agreement shall be several and not joint.

2. The Company and the Trust jointly and severally represent and warrant to, and agree with, each of the Underwriters that:

(a) Two registration statements on Form S-3 (File No. 33-64353 and File No. 333-[ ]) (the "Initial Registration Statement") in respect of certain securities including the Securities have been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered or to be delivered to the Representatives and, excluding exhibits to the Initial Registration Statement, but including all documents incorporated by reference in the prospectus contained therein, to the Representatives for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement or document incorporated by reference therein has heretofore been filed or transmitted for filing with the Commission (other than prospectuses filed pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act, each in the form heretofore delivered to the Representatives); and to the best knowledge of the Company and the Trust, no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) under the Act, is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement, any post-effective amendment thereto and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective but excluding Form T-1, each as amended at the time such part of the

Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the prospectus relating to the Securities, in the form in which it has most recently been filed, or transmitted for filing, with the Commission on or prior to the date of this Agreement, being hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment to the Initial Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Sections 13(a) or 15(d) of the Exchange Act after the effective date of the Initial Registration Statement that is incorporated by reference in the Registration Statement; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to the Prospectus as amended or supplemented in relation to the applicable Designated Securities in the form in which it is filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof, including any documents incorporated by reference therein as of the date of such filing);

(b) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company or the Trust by an Underwriter of Designated Securities through the Representatives expressly for use in the Registration Statement or the Prospectus as amended or supplemented relating to such Designated Securities;

(c) The Registration Statement and the Prospectus conform, and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration

Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company or the Trust by an Underwriter of Designated Securities through the Representatives expressly for use in the Registration Statement or the Prospectus as amended or supplemented relating to such Designated Securities;

(d) The Trust has been duly created and is validly existing as a statutory business trust in good standing under the Delaware Business Trust Act with the power and authority to own its properties and conduct its business as described in the Prospectus, and the Trust has conducted no business to date other than as contemplated by the Prospectus and this Agreement, and it will conduct no business in the future that would be inconsistent with the Trust Agreement (as defined below) and the description of the Trust set forth in the Prospectus; the Trust is not a party to or bound by any agreement or instrument other than this Agreement, the Amended and Restated Trust Agreement (the "Trust Agreement") among the Company, the trustees named therein (the "Trustees") and the holders of the Designated Securities (the "Securityholders") issued thereunder, and the agreements and instruments contemplated by the Trust Agreement; the Trust has no liabilities or obligations other than those arising out of the transactions contemplated by this Agreement and the Trust Agreement and described in the Prospectus; based on expected operations and current law, the Trust is not and will not be classified as an association taxable as a corporation for United States federal income tax purposes; and the Trust is not a party to or subject to any action, suit or proceeding of any nature;

(e) The Designated Securities have been duly and validly authorized by the Trust, and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable undivided beneficial interests in the assets of the Trust and will conform to the description of the Designated Securities contained in the Prospectus; the issuance of the Designated Securities is not subject to preemptive or other similar rights; the Designated Securities will have the rights set forth in the Trust Agreement, and the terms of the Designated Securities are valid and binding on the Trust; the holders of the Designated Securities will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware;

(f) The Common Securities of the Trust have been duly and validly authorized by the Trust and upon delivery by the Trust to the Company against payment therefor as described in the Prospectus, will be duly and validly issued undivided beneficial interests in the assets of the Trust and will conform in all material respects to the description thereof contained in the Prospectus; the issuance of the Common Securities is not subject to preemptive or other similar rights; and at the Time of Delivery (as defined herein), all of the issued and outstanding Common Securities of the Trust will be directly owned by the Company free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

(g) The Guarantee, the Subordinated Debentures, the Trust Agreement and the Indenture (the Guarantee, the Subordinated Debentures, the Trust Agreement and the Indenture being collectively referred to as the "Guarantor Agreements"), when validly executed and delivered by the Company and, in the case of the Guarantee, by the Guarantee Trustee, in the case of the Trust Agreement, by the Trustees and, in the case of the Indenture, by the Debenture Trustee, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Subordinated Debentures are entitled to the benefits of the Indenture; and the Guarantor Agreements will conform to the descriptions thereof in the Prospectus;

(h) The Trust is not, and after giving effect to the offering and sale of the Designated Securities will not be, an "investment company", or an entity "controlled" by an "investment company", as such terms are defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act");

3. Upon the execution of the Pricing Agreement applicable to any Designated Securities and authorization by the Representatives of the release of such Designated Securities, the several Underwriters propose to offer such Designated Securities for sale upon the terms and conditions set forth in the Prospectus as amended or supplemented.

4. Designated Securities to be purchased by each Underwriter pursuant to the Pricing Agreement relating thereto, in the form specified in such Pricing Agreement, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company, shall be delivered by or on behalf of the Company and the Trust to the Representatives for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance or at such other place and time and date as the Representatives and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery" for such Securities.

5. The Company and the Trust jointly and severally agree with each of the Underwriters of any Designated Securities:

(a) To prepare the Prospectus as amended or supplemented in relation to the Designated Securities in a form approved by the Representatives, which approval shall not be unreasonably withheld, and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of the Pricing Agreement relating to the Designated Securities or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement or Prospectus as amended or supplemented after the date of the Pricing Agreement relating to such Designated Securities and prior to the Time of Delivery for such Designated Securities which shall be disapproved by the Representatives for such Designated Securities promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after



such Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company or the Trust with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of such Designated Securities, and during such same period to advise the Representatives, promptly after the Company or the Trust, as the case may be, receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Designated Securities, of the suspension of the qualification of such Designated Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Designated Securities or suspending any such qualification, to promptly use their best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action in cooperation with the Underwriters as the Representatives may reasonably request to qualify such Designated Securities for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of such Designated Securities, provided that in connection therewith the Company and the Trust shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 a.m., New York City time, on the New York business day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City as amended or supplemented in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Designated Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in Designated Securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance;

(d) To make generally available to their securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration

Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (and the Trust if required by the Commission) (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period from the date hereof and continuing to and including the date 90 days after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Designated Securities or the Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without your prior written consent;

(f) If the Company and the Trust elect to rely upon Rule 462(b), the Company and the Trust shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company and the Trust shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act; and

(g) To issue the Guarantee and the Subordinated Debentures concurrently with the issue and sale of the Designated Securities as contemplated in the Pricing Agreement relating to such Designated Securities.

6. The Company and the Trust jointly and severally covenant and agree with the several Underwriters that the Company and the Trust will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's and Trust's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Pricing Agreement, any Guarantor Agreement, any Blue Sky Survey, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Designated Securities; (iii) all expenses in connection with the qualification of the Designated Securities for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky Survey; (iv) any fees charged by securities rating services for rating the Securities; (v) any filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Designated Securities; (vi) the cost of preparing the Designated Securities and the Subordinated Debentures; (vii) the fees and expenses of the Trustees, the Guarantee Trustee and Debenture Trustee and any agent of the Trustees, the Guarantee Trustee and the Debenture Trustee, the fees and disbursements of counsel for the Trustees in connection with the Trust Agreement and the Designated Securities, counsel for the Guarantee Trustee in connection with the Guarantee and

counsel for the Debenture Trustee in connection with the Indenture and the Subordinated Debentures; and (viii) all other costs and expenses incident to the performance of their respective obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Designated Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters of any Designated Securities under the Pricing Agreement relating to such Designated Securities shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Trust and the Company in or incorporated by reference in the Pricing Agreement relating to such Designated Securities are, at and as of the Time of Delivery for such Designated Securities, true and correct, the condition that the Company and the Trust shall have performed all of their respective obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus as amended or supplemented in relation to the applicable Designated Securities shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; if the Company and the Trust have elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of the relevant Pricing Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Cravath, Swaine & Moore, counsel for the Underwriters shall have furnished to the Representatives such written opinion or opinions, dated the Time of Delivery for such Designated Securities, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) The General Counsel, an Assistant General Counsel or a Senior Counsel for the Company or Skadden, Arps, Slate, Meagher & Flom LLP, special Delaware counsel to the Trust and special counsel to the Company, shall have furnished to the Representatives a written opinion or opinions relating to the Company, dated the Time of Delivery for such Designated Securities, in form and substance reasonably satisfactory to the Representatives set forth in Exhibit [ ] to the Pricing Agreement.

Such opinions shall be limited to New York, Pennsylvania, Delaware and Federal law. In giving such opinions, such counsel may rely, as to all matters governed by the laws of jurisdictions in which such counsel is not qualified, upon opinions of other counsel, who shall be counsel satisfactory to counsel for the Representatives, in which case the opinions shall state that they believe you and they are entitled to rely on such opinions;

(d) At the Time of Delivery for such Designated Securities, the independent accountants of the Company who have certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement, shall have furnished to the Representatives a letter, dated such Time of Delivery, to the effect set forth in Annex II hereto, and as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives;

(e) Since the respective dates as of which information is given in the Prospectus as amended prior to the date of the Pricing Agreement relating to the Designated Securities there shall not have been any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus as amended prior to the date of the Pricing Agreement relating to the Designated Securities, the effect of which, in any such case, is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Prospectus as first amended or supplemented relating to the Designated Securities;

(f) On or after the date of the Pricing Agreement relating to the Designated Securities (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by Standard and Poor's Corporation or Moody's Investors Service, Inc. and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(g) On or after the date of the Pricing Agreement relating to the Designated Securities there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this Clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Prospectus as first amended or supplemented relating to the Designated Securities;

(h) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York business day next succeeding the date of this Agreement;

(i) The Company and the Trust shall have furnished or caused to be furnished to the Representatives at the Time of Delivery for the Designated Securities a certificate or certificates of officers of the Company and the Trust, based on their best knowledge after reasonable investigation, satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company and the Trust herein at and as of such Time of Delivery, as to the performance by the Company and the Trust of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) of this Section 7 and as to such other matters as the Representatives may reasonably request; and

(j) The Representatives shall have received at the Time of Delivery the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special Delaware Counsel for the Trust and the Company, relating to the Trust, dated the Time of Delivery, to the effect set forth in Exhibit [ ] to the Pricing Agreement.

(k) Skadden, Arps, Slate, Meagher & Flom LLP, special tax counsel for the Company and the Trust, shall have furnished to the Representatives their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that such firm confirms its opinion set forth in the Prospectus under the caption ["Certain Federal Income Tax Consequences"].

8. (a) The Company and the Trust jointly and severally will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company and the Trust shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Designated Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company or the Trust by any Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Designated Securities.

(b) Each Underwriter will indemnify and hold harmless the Company and the Trust against any losses, claims, damages or liabilities to which the Company or the Trust may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Designated Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Designated Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company or the Trust by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company or the Trust

for any legal or other expenses reasonably incurred by the Company or the Trust in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party, which consent shall not be unreasonably withheld), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters of the Designated Securities on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Trust on the one hand and the Underwriters of the Designated Securities on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Trust on the one hand and such Underwriters of the Designated Securities on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company and the Trust bear to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates

to information supplied by the Company and the Trust on the one hand or such Underwriters of the Designated Securities on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Trust and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Designated Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such Designated Securities and not joint.

(e) The obligations of the Company and the Trust under this Section 8 shall be in addition to any liability which the Company and the Trust may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and the Trust and to each person, if any, who controls the Company and the Trust within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Designated Securities which it has agreed to purchase under the Pricing Agreement relating to such Designated Securities, the Representatives may in their reasonable judgment arrange for themselves or another party or other parties acceptable to the Company to purchase such Designated Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Designated Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties reasonably satisfactory to the Representatives to purchase such Designated Securities on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Designated Securities, or the Company notifies the Representatives that it has so arranged for the purchase of such Designated Securities, the Representatives or the Company shall have the right to postpone the Time of Delivery for such Designated Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the reasonable opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with

like effect as if such person had originally been a party to the Pricing Agreement with respect to such Designated Securities.

(b) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate liquidation amount of such Designated Securities which remains unpurchased does not exceed one-eleventh of the aggregate liquidation amount of the Designated Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the liquidation amount of Designated Securities which such Underwriter agreed to purchase under the Pricing Agreement relating to such Designated Securities and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the liquidation amount of Designated Securities which such Underwriter agreed to purchase under such Pricing Agreement) of the Designated Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate liquidation amount of Designated Securities which remains unpurchased exceeds one-eleventh of the aggregate liquidation amount of the Designated Securities, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Designated Securities of a defaulting Underwriter or Underwriters, then the Pricing Agreement relating to such Designated Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Trust and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, the Company or the Trust, or any officer or director or controlling person of the Company or the Trust, and shall survive delivery of and payment for the Designated Securities.

11. If any Pricing Agreement shall be terminated pursuant to Section 9 hereof, the Company and the Trust shall not then be under any liability to any Underwriter with respect to the Designated Securities covered by such Pricing Agreement except as provided in Sections 6 and 8 hereof; but, if for any other reason Designated Securities are not delivered by or on behalf of the Company and the Trust as provided herein, the Company or the Trust will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Designated Securities, but the Company or the Trust shall then be under no further liability to any Underwriter with respect to such Designated Securities except as provided in Sections 6 and 8 hereof.



12. In all dealings hereunder, the Representatives of the Underwriters of Designated Securities shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in the Pricing Agreement.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the address of the Representatives as set forth in the Pricing Agreement; and if to the Company or the Trust shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement: Attention: Treasurer; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement and each Pricing Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company, the Trust and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and the Trust and each person who controls the Company, the Trust or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any such Pricing Agreement. No purchaser of any of the Designated Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of each Pricing Agreement. As used herein, "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. THIS AGREEMENT AND EACH PRICING AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. This Agreement and each Pricing Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

IF THE FOREGOING IS IN ACCORDANCE WITH YOUR UNDERSTANDING, PLEASE SIGN AND RETURN TO US EIGHT COUNTERPARTS HEREOF.

Very truly yours,

Aluminum Company of America

By:.....

Name:

Title:

Alcoa Trust I

By: Aluminum Company of America,  
as Depositor

By:.....

Name:

Title:

Accepted as of the date hereof:

[underwriters]

BY: .....

PRICING AGREEMENT

-----

[NAMES OF CO-REPRESENTATIVE(S),]  
As Representatives of the several  
Underwriters named in Schedule I hereto,

[Address]

....., 19..

Ladies and Gentlemen:

Aluminum Company of America, a Pennsylvania corporation as depositor of the Trust (as defined herein) and as guarantor (the "Company") and Alcoa Trust I, a statutory business trust created under the Business Trust Act of the State of Delaware (the "Trust"), propose, subject to the terms and conditions stated herein and in the Underwriting Agreement, dated . . . . ., 19 . . (the "Underwriting Agreement"), among the Company and the Trust on the one hand and [names of Co-Representatives named therein] on the other hand, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") the Securities specified in Schedule II hereto (the "Designated Securities"). Each of the provisions of the Underwriting Agreement is incorporated herein by reference in its entirety, and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein; and each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Pricing Agreement, except that each representation and warranty which refers to the Prospectus in Section 2 of the Underwriting Agreement shall be deemed to be a representation or warranty as of the date of the Underwriting Agreement in relation to the Prospectus (as therein defined), and also a representation and warranty as of the date of this Pricing Agreement in relation to the Prospectus as amended or supplemented relating to the Designated Securities which are the subject of this Pricing Agreement. Each reference to the Representatives herein and in the provisions of the Underwriting Agreement so incorporated by reference shall be deemed to refer to you. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined. The Representatives designated to act on behalf of the Representatives and on behalf of each of the Underwriters of the Designated Securities pursuant to Section 12 of the Underwriting Agreement and the address of the Representatives referred to in such Section 12 are set forth at the end of Schedule II hereto.

An amendment to the Registration Statement, or a supplement to the Prospectus, as the case may be, relating to the Designated Securities, in the form heretofore delivered to you is now proposed to be filed with the Commission.

Subject to the terms and conditions set forth herein and in the Underwriting Agreement incorporated herein by reference, the Trust agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Trust, at the time

and place and at the purchase price to the Underwriters set forth in Schedule II hereto, the liquidation amount of Designated Securities set forth opposite the name of such Underwriter in Schedule I hereto.

If the foregoing is in accordance with your understanding, please sign and return to us [ ] counterparts hereof, and upon acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof, including the provisions of the Underwriting Agreement incorporated herein by reference, shall constitute a binding agreement among each of the Underwriters, the Trust and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is or will be pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on the part of the Representatives as to the authority of the signers thereof.

Very truly yours,  
Aluminum Company of America

By:.....  
Name:  
Title:

Alcoa Trust I

By:.....  
Name:  
Title:

Accepted as of the date hereof:

[NAME(S) OF CO-REPRESENTATIVE(S)]

BY:.....

On behalf of each of the Underwriters

SCHEDULE I

UNDERWRITER  
-----

LIQUIDATION  
AMOUNT OF  
DESIGNATED  
SECURITIES  
TO BE  
PURCHASED  
-----

..... \$  
[NAME(S) OF CO-REPRESENTATIVE(S)].....  
[NAMES OF OTHER UNDERWRITERS].....

Total ..... \$  
=====

SCHEDULE II

TITLE OF DESIGNATED SECURITIES:

[ %] [Floating Rate] [Convertible] Preferred Securities  
(liquidation amount \$50 per Preferred Security)

AGGREGATE LIQUIDATION AMOUNT:

[\$]

PRICE TO PUBLIC:

% of the liquidation amount of the Designated Securities, plus accrued  
interest[, if any,] from to [and accrued  
amortization[, if any,] from to ]

PURCHASE PRICE BY UNDERWRITERS:

% of the liquidation amount of the Designated Securities, plus accrued  
interest from  
to [and accrued amortization[, if any,] from  
to ]

FORM OF DESIGNATED SECURITIES:

[Definitive form to be made available for checking and packaging at least  
twenty-four hours prior to the Time of Delivery at the office of [The  
Depository Trust Company or its designated custodian] [the  
Representatives]]

[Book-entry only form represented by one or more global securities  
deposited with The Depository Trust Company ("DTC") or its designated  
custodian, to be made available for checking by the Representatives at  
least twenty-four hours prior to the Time of Delivery at the office of  
DTC.]

SPECIFIED FUNDS FOR PAYMENT OF PURCHASE PRICE:

Federal (same day) funds

TIME OF DELIVERY:

a.m. (New York City time), , 19

CUMULATIVE CASH DISTRIBUTION RATE:

[ %] [Zero Coupon] [See Floating Rate Provisions]

DISTRIBUTION DATES:

[months and dates, commencing ....., 19..]

REDEMPTION PROVISIONS:

[Describe]

EXTENSION PERIOD PROVISIONS:

[Describe]

[If Designated Securities are floating rate debt securities, insert--

FLOATING RATE PROVISIONS:

Initial annual cash distribution rate will be % through [and thereafter will be adjusted [monthly] [on each and ] [to an annual rate of % above the average rate for -year [month][securities][certificates of deposit] issued by and [insert names of banks].] [and the annual cash distribution rate [thereafter] [from through ] will be the interest yield equivalent of the weekly average per annum market discount rate for -month Treasury bills plus % of Interest Differential (the excess, if any, of (i) the then current weekly average per annum secondary market yield for -month certificates of deposit over (ii) the then current interest yield equivalent of the weekly average per annum market discount rate for -month Treasury bills); [from and thereafter the rate will be the then current interest yield equivalent plus % of Interest Differential].]

CONVERSION PROVISIONS

CLOSING LOCATION FOR DELIVERY OF DESIGNATED SECURITIES:

ADDITIONAL CLOSING CONDITIONS:

NAMES AND ADDRESSES OF REPRESENTATIVES:

Designated Representatives:  
Address for Notices, etc.:

[OTHER TERMS:]

Pursuant to Section 7(d) of the Underwriting Agreement, the accountants shall furnish letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements and any supplementary financial information and schedules audited (and, if applicable, financial forecasts and/or pro forma financial information) examined by them and included or incorporated by reference in the Registration Statement or the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Act or the Exchange Act, as applicable, and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the consolidated interim financial statements, selected financial data, pro forma financial information, financial forecasts and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such letter, as indicated in their reports thereon, copies of which have been separately furnished to the representative or representatives of the Underwriters (the "Representatives") such term to include an Underwriter or Underwriters who act without any firm being designated as its or their representatives;

(iii) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included in the Company's quarterly report on Form 10-Q incorporated by reference into the Prospectus as indicated in their reports thereon copies of which have been separately furnished to the Representatives; and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vi)(A)(i) below comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations, nothing came to their attention that caused them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(iv) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the five most recent fiscal years included in the Prospectus and included or incorporated by reference in Item 6 of the Company's Annual Report on Form 10-K for the most recent fiscal year agrees with the corresponding amounts (after restatement where applicable) in the audited consolidated financial statements for five such fiscal years which were included or incorporated by reference in the Company's Annual Reports on Form 10-K for such fiscal years;



(v) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulation S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform in all material respects with the disclosure requirements of Items 301, 302, 402 and 503(d), respectively, of Regulation S-K;

(vi) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(A) (i) the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included or incorporated by reference in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the related published rules and regulations, or (ii) to the extent not covered in their reports filed as part of the Company's Quarterly Reports on Form 10-Q, any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus or included in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus for them to be in conformity with generally accepted accounting principles;

(B) any other unaudited income statement data and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(C) the unaudited financial statements which were not included in the Prospectus but from which were derived the unaudited condensed financial statements referred to in clause (A) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in Clause (B) were not determined on a basis substantially consistent with the basis for the audited financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(D) any unaudited pro forma consolidated condensed financial statements included or incorporated by reference in the Prospectus do not comply as to form in

all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(E) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest balance sheet included or incorporated by reference in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with amounts shown in the latest balance sheet included or incorporated by reference in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(F) for the period from the date of the latest financial statements included or incorporated by reference in the Prospectus to the specified date referred to in Clause (E) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(vii) In addition to the audit referred to in their report(s) included or incorporated by reference in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an audit in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus (excluding documents incorporated by reference), or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives or in documents incorporated by reference in the Prospectus specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

All references in this Annex II to the Prospectus shall be deemed to refer to the Prospectus (including the documents incorporated by reference therein) as defined in the Underwriting Agreement as of the date of the letter delivered on the date of the Pricing Agreement for purposes of such letter and to the Prospectus as amended or supplemented (including the documents

incorporated by reference therein) in relation to the applicable Designated Securities for purposes of the letter delivered at the Time of Delivery for such Designated Securities.

CERTIFICATE OF TRUST

The undersigned, the trustees of Alcoa Trust I, desiring to form a business trust pursuant to Delaware Business Trust Act, 12 Del. C. (S) 3810 et seq., hereby certify as follows:  
-----

- (a) The name of the business trust being formed hereby (the "Trust") is "Alcoa Trust I."
- (b) The name and business address of the trustee of the Trust which has its principal place of business in the State of Delaware is as follows:  
  
Chase Manhattan Bank Delaware  
1201 Market St.  
Wilmington, DE 19801  
Attention: Trust Department
- (c) This Certificate of Trust shall be effective as of the date of filing.

Dated: July 10, 1998

/S/ Cynthia E. Holloway  
-----  
CYNTHIA E. HOLLOWAY  
Regular Trustee

/S/ Robert G. Wennemer  
-----  
ROBERT G. WENNEMER  
Regular Trustee

/S/ Richard B. Kelson  
-----  
RICHARD B. KELSON  
Regular Trustee

CHASE MANHATTAN BANK DELAWARE, as  
Delaware Trustee

By: /S/ Denis Kelly  
-----  
Denis Kelly  
Trust Officer

THE CHASE MANHATTAN BANK, as  
Institutional Trustee

By: /S/ Joanne Adamis  
-----  
Joanne Adamis  
Assistant Vice President

=====

DECLARATION OF TRUST

Alcoa Trust I

Dated as of July 10, 1998

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DECLARATION OF TRUST  
OF  
Alcoa Trust I

July 10, 1998

DECLARATION OF TRUST ("Declaration") dated and effective as of July 10, 1998 by the Trustees (as defined herein), the Sponsor (as defined herein), and by the holders, from time to time, of undivided beneficial interests in the Trust to be issued pursuant to this Declaration;

WHEREAS, the Trustees and the Sponsor desire to establish a trust (the "Trust") pursuant to the Delaware Business Trust Act for the purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Debentures of the Debenture Issuer (as defined herein);

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the exclusive benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE I  
DEFINITIONS

SECTION 1.1 Definitions.

-----

Unless the context otherwise requires:

- (a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Declaration of Trust as modified, supplemented or amended from time to time;



(d) all references in this Declaration to Articles and Sections are to Articles and Sections of this Declaration unless otherwise specified; and

(e) a reference to the singular includes the plural and vice versa.

"Affiliate" has the same meaning as given to that term in Rule 405 of

the Securities Act or any successor rule thereunder .

"Business Day" means any day other than a day on which banking

institutions in New York, New York are authorized or required by law to close.

"Business Trust Act" means Chapter 38 of Title 12 of the Delaware

Code, 12 Del. C. (S) 3801 et seq., as it may be amended from time to time, or any successor legislation.

"Commission" means the Securities and Exchange Commission.

"Common Securities" means securities representing undivided

beneficial ownership interests in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"Covered Person" means (a) any officer, director, shareholder,

partner, member, representative, employee or agent of (i) the Trust or (ii) the Trust's Affiliates and (b) any holder of Securities.

"Debenture Issuer" means the Parent in its capacity as the issuer of

the Debentures under the Indenture.

"Debentures" means the series of Debentures to be issued by the

Debenture Issuer and acquired by the Trust.

"Debenture Trustee" means the trustee under the Indenture until a

successor is appointed thereunder, and thereafter means such successor trustee.

"Delaware Trustee" has the meaning set forth in Section 3.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended

from time to time or any successor legislation.

"Fiduciary Indemnified Person" has the meaning set forth in Section

4.3(b).

"Indemnified Person" means a Parent Indemnified Person or a Fiduciary

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Indemnified Person.

"Indenture" means the indenture to be entered into between the Parent

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and the Debenture Trustee and any indenture supplemental thereto pursuant to which the Debentures are to be issued.

"Institutional Trustee" has the meaning set forth in Section 3.4.

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"Parent" means Aluminum Company of America, a Pennsylvania corporation or any successor entity in a merger.

"Parent Indemnified Person" means (a) any Regular Trustee; (b) any

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Affiliate of any Regular Trustee; (c) any officers, directors, shareholders, members, partners, employees, representatives or agents of any Regular Trustee; or (d) any employee or agent of the Trust or its Affiliates.

"Person" means a legal person, including any individual, corporation,

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estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Securities" means securities representing undivided

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beneficial ownership interests in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"Regular Trustee" means any Trustee other than the Delaware Trustee

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and the Institutional Trustee (as hereinafter defined).

"Securities" means the Common Securities and the Preferred

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Securities.

"Securities Act" means the Securities Act of 1933, as amended from

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time to time, or any successor legislation.

"Sponsor" means the Parent in its capacity as sponsor of the Trust.

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"Trustee" or "Trustees" means each Person who has signed this

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Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

ARTICLE II  
ORGANIZATION

SECTION 2.1 Name.  
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The Trust created by this Declaration is named "Alcoa Trust I." The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

SECTION 2.2 Office.  
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The address of the principal office of the Trust is c/o Aluminum Company of America, 425 Sixth Avenue, Alcoa Building, Pittsburgh, Pennsylvania 15219-1850. (Effective August 14, 1998, the address of the principal office of the Trust will be c/o Aluminum Company of America, 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858.) At any time, the Regular Trustees may designate another principal office.

SECTION 2.3 Purpose.  
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It is the intention of the parties hereto that the Trust created hereby constitute a business trust under the Business Trust Act, and that this Declaration constitute the governing instrument of the Trust. The Trustees are hereby authorized and directed to execute and file a certificate of trust in the office of the Secretary of State of the State of Delaware in the form attached hereto. The Trust is hereby established by the Sponsor and the Trustees for the purposes of (i) issuing Preferred Securities and investing the proceeds thereof in Debentures, (ii) issuing and selling Common Securities to the Sponsor in exchange for cash and investing the proceeds thereof in additional Debentures and (iii) engaging in such other activities as are necessary, convenient or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States federal income tax purposes as a grantor trust.

Concurrent with the first issuance of any Securities by the Trust, the Sponsor and the Trustees intend to enter into an amended and restated Declaration of Trust or Trust agreement, satisfactory to each such party and substantially in the form included as an exhibit to the Securities Act Registration Statement referred to below at the time such registration statement becomes effective under the

Securities Act, to provide for the contemplated operation of the Trust created hereby and the issuance of the Preferred Securities and the Common Securities referred to therein. Prior to the execution and delivery of such amended and restated Declaration of Trust or Trust agreement, the Trustees shall not have any duty or obligation hereunder or with respect to the trust estate, except as otherwise required by applicable law or, in the case of the Regular Trustees, as may be necessary to obtain, prior to such execution and delivery, any licenses, consents or approvals required by applicable law or otherwise.

SECTION 2.4 Authority.

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Subject to the limitations provided in this Declaration, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust. In dealing with the Regular Trustees acting on behalf of the Trust, no Person shall be required to inquire into the authority of the Regular Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Regular Trustees as set forth in this Declaration.

SECTION 2.5 Title to Property of the Trust.

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Legal title to all assets of the Trust shall be vested in the Trust.

SECTION 2.6 Powers of the Trustees.

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The Regular Trustees shall have the exclusive power and authority to cause the Trust to engage in the following activities:

(a) to issue and sell the Preferred Securities and the Common Securities in accordance with this Declaration; provided, however, that the

Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities, and, provided further, that there

shall be no interests in the Trust other than the Securities and the issuance of the Securities shall be limited to a one-time, simultaneous issuance of both Preferred Securities and Common Securities;

(b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor, to:

(i) execute and file with the Commission a registration statement on Form S-3 prepared by the Sponsor (the "Registration Statement"), including any amendments thereto in relation to the registration of the Preferred Securities under the Securities Act;

(ii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary in order to qualify or register all or part of the Preferred Securities in any State in which the Sponsor has determined to qualify or register such Preferred Securities for sale;

(iii) execute and file on behalf of the Trust, with the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation upon notice of issuance of any Preferred Securities a listing application and all other applications, statements, certificates, agreements and other instruments as shall be necessary or desirable to cause the Preferred Securities to be listed on such exchange or national market, as the case may be;

(iv) execute and file with the Commission a registration statement on Form 8-A, including any amendments thereto, prepared by the Sponsor relating to the registration of the Preferred Securities under Section 12(b) or 12(g) of the Exchange Act, if the Sponsor in its sole discretion determines that such a filing is necessary or appropriate; and

(v) negotiate the terms of, and execute and enter into, on behalf of the Trust, an underwriting agreement and pricing agreement providing for the sale of the Preferred Securities substantially in the form included as an exhibit to the Registration Statement at the time it becomes effective under the Securities Act;

(c) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants and provide for reasonable compensation for such services;

(d) to incur expenses that are necessary or incidental to carry out any of the purposes of this Declaration; and

(e) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

SECTION 2.7 Filing of Certificate of Trust.  
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On or after the date of execution of this Declaration, the Trustees shall cause the filing of the Certificate of Trust for the Trust in the form attached hereto as Exhibit A with the Secretary of State of the State of Delaware.

SECTION 2.8 Duration of Trust.

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The Trust, absent termination pursuant to the provisions of Section 5.2, shall have existence for forty (40) years from the date hereof.

SECTION 2.9 Responsibilities of the Sponsor.

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In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare for filing by the Trust with the Commission a registration statement on Form S-3 in relation to the Preferred Securities, including any amendments thereto;

(b) to determine the States in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities and to do any and all such acts, other than actions which must be taken by the Trust, and advise the Trust of actions it must take, and prepare for execution and filing of any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States;

(c) at the sole discretion of the Sponsor, to prepare for filing by the Trust of an application to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation upon notice of issuance of any Preferred Securities;

(d) to prepare for filing by the Trust with the Commission a registration statement on Form 8-A relating to the registration of the class of Preferred Securities under Section 12(b) or 12(g) of the Exchange Act, including any amendments thereto, if the Sponsor in its sole discretion determines that such a filing is necessary or appropriate; and

(e) to negotiate the terms of an underwriting agreement and pricing agreement providing for the sale of the Preferred Securities.

SECTION 2.10 Declaration Binding on Securities Holders.

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Every Person by virtue of having become a holder of a Security or any interest therein in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration.

ARTICLE III  
TRUSTEES

SECTION 3.1 Trustees.  
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The number of Trustees initially shall be five (5), and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor. The Sponsor is entitled to appoint or remove without cause any Trustee at any time; provided, however that the number

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of Trustees shall in no event be less than two (2); provided further that one

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Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or that, if not a natural person, is an entity that has its principal place of business in the State of Delaware (the "Delaware Trustee"); provided further that there shall be at least one trustee who is an employee or officer of, or is affiliated with the Parent (a "Regular Trustee").

SECTION 3.2 Regular Trustees.  
-----

The initial Regular Trustees shall be:

Cynthia E. Holloway  
Robert G. Wennemer  
Richard B. Kelson

(a) Except as expressly set forth in this Declaration, any power of the Regular Trustees may be exercised by, or with the consent of, any one such Regular Trustee.

(b) Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act, any Regular Trustee is authorized to execute on behalf of the Trust any documents that the Regular Trustees have the power and authority to cause the Trust to execute pursuant to Section 2.6; and

(c) a Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purposes of signing any documents that the Regular Trustees have power and authority to cause the Trust to execute pursuant to Section 2.6.

SECTION 3.3 Delaware Trustee.  
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The initial Delaware Trustee shall be:

Chase Manhattan Bank Delaware  
1201 Market St.  
Wilmington, DE 19801  
Attention: Corporate Trust Department

Notwithstanding any other provision of this Declaration, the Delaware Trustee shall not be entitled to exercise any of the powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustees (except as required by the Business Trust Act) described in this Declaration. The Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act. Notwithstanding anything herein to the contrary, the Delaware Trustee shall not be liable for the acts or omissions to act of the Trust or of the Regular Trustees except such acts as the Delaware Trustee is expressly obligated or authorized to undertake under this Declaration or the Business Trust Act and except for the negligence or willful misconduct of the Delaware Trustee. The Delaware Trustee may resign as a Trustee of the Trust by giving not less than 30 days written notice of resignation to any Regular Trustee; provided, however, that no such resignation of the Delaware Trustee shall be effective until a successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.

SECTION 3.4 Institutional Trustee.  
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The Sponsor hereby appoints The Chase Manhattan Bank as the trustee meeting the requirements of an eligible trustee under the Trust Indenture Act of 1939, as amended (the "Institutional Trustee").

Notwithstanding any other provision of this Declaration, the Institutional Trustee shall not be entitled to exercise any of the powers, nor shall the Institutional Trustee have any of the duties and responsibilities of the Trustees (except as required by the Business Trust Act) described in this Declaration. Notwithstanding anything herein to the contrary, the Institutional Trustee shall not be liable for the acts or omissions to act of the Trust or of the Regular Trustees except such acts as the Institutional Trustee is expressly obligated or authorized to undertake under this Declaration or the Business Trust Act and except for the negligence or willful misconduct of the Institutional Trustee. The Institutional Trustee may resign as a Trustee of the Trust by giving not less than 30 days written notice of resignation to any Regular Trustee; provided, however that no such resignation of the Institutional Trustee shall be effective until a successor Institutional Trustee has been appointed and has accepted such appointment by instrument executed by such successor Institutional Trustee and delivered to the Trust, the Sponsor and the resigning Institutional Trustee.

SECTION 3.5 Not Responsible for Recitals or Sufficiency of Declaration.  
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The recitals contained in this Declaration shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no



representations as to the validity or sufficiency of this Declaration.

ARTICLE IV  
LIMITATION OF LIABILITY OF  
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 4.1    Exculpation.  
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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions; and

(b) an Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to holders of Securities might properly be paid.

SECTION 4.2    Fiduciary Duty.  
-----

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

(b) unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise; and

(c) whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

SECTION 4.3 Indemnification.  
-----

(a) (i) The Sponsor shall indemnify, to the full extent permitted by law, any Parent Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Trust) by reason of the fact that he is or was a Parent Indemnified Person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith

and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Parent Indemnified Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(ii) The Sponsor shall indemnify, to the full extent permitted by law, any Parent Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that he is or was a Parent Indemnified Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Parent Indemnified Person shall have been adjudged to be liable to the Trust unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses that such Court of Chancery or such other court shall deem proper.

(iii) Any indemnification under paragraphs (i) and (ii) of this Section 4.3(a) (unless ordered by a court) shall be made by the Sponsor only as authorized in the specific case upon a determination that indemnification of the Parent Indemnified Person is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (i) and (ii). Such determination shall be made (1) by the Regular Trustees by a majority vote of a quorum consisting of such Regular Trustees who were not parties to such action, suit or proceeding, (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion, or (3) by the holder(s) of the Common Securities of the Trust.

(iv) Expenses (including attorneys' fees) incurred by a Parent Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in paragraphs (i) and (ii) of this Section 4.3(a) shall be paid by the Sponsor in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Parent Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Sponsor as authorized in this Section 4.3(a). Notwithstanding the foregoing, no advance shall be made by the Sponsor if a determination is reasonably and promptly made (i) by the Regular Trustees by a majority vote of a quorum of disinterested Regular Trustees, (ii) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion or (iii) the holder(s) of the Common Securities of the Trust, that, based upon the facts known to the Regular Trustees, independent legal counsel or the holder(s) of the Common Securities of the Trust at the time such determination is made, such Parent Indemnified Person acted in bad faith or in a manner that such Person did not believe to be in or not opposed to the best interests of the Trust, or, with respect to any criminal proceeding, that such Parent Indemnified Person believed or had reasonable cause to believe his conduct was unlawful. In no event shall any advance be made in instances where the Regular Trustees, independent legal counsel or the holder(s) of the Common Securities of the Trust reasonably determine that such Person deliberately breached his duty to the Trust or to the holder(s) of its Common Securities or Preferred Securities.

(v) The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this Section 4.3(a) shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any agreement, vote of shareholders or disinterested directors of the Sponsor or of the holder(s) of the Preferred Securities of the Trust or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. All rights to indemnification under this Section 4.3(a) shall be deemed to be provided by a contract between the Sponsor and each Parent Indemnified Person who serves in such capacity at any time while this Section 4.3(a) is in effect. Any repeal or modification of this Section 4.3(a) shall not affect any rights or obligations then existing.

(vi) The Sponsor or the Trust may purchase and maintain insurance on behalf of any Person who is

or was a Parent Indemnified Person against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Sponsor would have the power to indemnify him against such liability under the provisions of this Section 4.3(a).

(vii) For purposes of this Section 4.3(a), references to "the Trust" shall include, in addition to the resulting or surviving entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger, so that any Person who is or was a director, trustee, officer or employee of such constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee or agent of another entity, shall stand in the same position under the provisions of this Section 4.3(a) with respect to the resulting or surviving entity as he would have with respect to such constituent entity if its separate existence had continued.

(viii) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 4.3(a) shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Parent Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a Person.

(b) The Sponsor agrees to indemnify (i) the Delaware Trustee and the Institutional Trustee, (ii) any Affiliate of the Delaware Trustee or the Institutional Trustee, and (iii) any officers, directors, stockholders, members, partners, employees, representatives, nominees, custodians or agents of the Delaware Trustee or the Institutional Trustee (each of the Persons in (i) through (iii) being referred to as a "Fiduciary Indemnified Person") for, and to hold each Fiduciary Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against, or investigating, any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The provisions of this Section 4.3(b) shall survive the termination of this Declaration or the resignation or removal of the Delaware Trustee or Institutional Trustee.

SECTION 4.4 Outside Businesses.

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Any Covered Person, the Sponsor, the Delaware Trustee and the Institutional Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. None of any Covered Person, the Sponsor, the Delaware Trustee or the Institutional Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Institutional Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Institutional Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depository, trustee or agent for, or may act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE V  
AMENDMENTS, TERMINATION, MISCELLANEOUS

SECTION 5.1 Amendments.

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At any time before the issue of any Securities, this Declaration may be amended by, and only by, a written instrument executed by all of the Regular Trustees and the Sponsor; provided, however, that if the amendment effects the rights, powers, duties, obligations or immunities of the Delaware Trustee or the Institutional Trustee, the amendment shall also be approved in writing by the Delaware Trustee or the Institutional Trustee, as the case may be.

SECTION 5.2 Termination of Trust.

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- (a) The Trust shall dissolve and be of no further force or effect:
  - (i) upon the bankruptcy of the Sponsor;
  - (ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Sponsor or the revocation of the Sponsor's charter or of the Trust's certificate of trust;
  - (iii) upon the entry of a decree of judicial dissolution of the Sponsor, or the Trust; and

(iv) before the issue of any Securities, with the consent of all of the Regular Trustees and the Sponsor; and

(b) As soon as is practicable after the occurrence of an event referred to in Section 5.2(a), the Trustees shall file, after satisfaction of all liabilities of the Trust in accordance with applicable law, a certificate of cancellation with the Secretary of State of the State of Delaware and the Trust shall terminate.

SECTION 5.3     Governing Law.  
-----

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

SECTION 5.4     Headings.  
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Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 5.5     Successors and Assigns.  
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Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether or not so expressed.

SECTION 5.6     Partial Enforceability.  
-----

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 5.7     Counterparts.  
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This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

/S/ Cynthia E. Holloway  
-----  
CYNTHIA E. HOLLOWAY  
Regular Trustee

/S/ Robert G. Wennemer  
-----  
ROBERT G. WENNEMER  
Regular Trustee

/S/ Richard B. Kelson  
-----  
RICHARD B. KELSON  
Regular Trustee

CHASE MANHATTAN BANK DELAWARE, as  
Delaware Trustee

By: /S/ Denis Kelly  
-----  
Denis Kelly  
Trust Officer

THE CHASE MANHATTAN BANK, as  
Institutional Trustee

By: /S/ Joanne Adamis  
-----  
Joanne Adamis  
Assistant Vice President

ALUMINUM COMPANY OF AMERICA, as  
Sponsor

By: /S/ Cynthia E. Holloway  
-----  
Cynthia E. Holloway  
Assistant Treasurer



EXHIBIT A

(begins on next page)

CERTIFICATE OF TRUST

The undersigned, the trustees of Alcoa Trust I, desiring to form a business trust pursuant to Delaware Business Trust Act, 12 Del. C. (S) 3810 et seq., hereby certify as follows:  
- ----

- (a) The name of the business trust being formed hereby (the "Trust") is "Alcoa Trust I."
- (b) The name and business address of the trustee of the Trust which has its principal place of business in the State of Delaware is as follows:  
  
Chase Manhattan Bank Delaware  
1201 Market St.  
Wilmington, DE 19801  
Attention: Trust Department
- (c) This Certificate of Trust shall be effective as of the date of filing.

Dated:

-----  
Regular Trustee

-----  
Regular Trustee

-----  
Regular Trustee

Delaware Trustee

By: -----  
Trust Officer

Institutional Trustee

By: -----

AMENDED AND RESTATED

TRUST AGREEMENT

AMONG

ALUMINUM COMPANY OF AMERICA  
AS DEPOSITOR,

THE CHASE MANHATTAN BANK  
AS PROPERTY TRUSTEE,

CHASE MANHATTAN BANK DELAWARE  
AS DELAWARE TRUSTEE,

AND

THE ADMINISTRATIVE TRUSTEES NAMED HEREIN

DATED AS OF [DATE]

ALCOA TRUST I

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EXHIBIT A - Certificate of Trust of Alcoa Trust I

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EXHIBIT C - Form of Common Securities of Alcoa Trust I

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EXHIBIT E - Notice of Conversion

ALCOA TRUST I\*

Certain Sections of this Trust Agreement  
relating to Sections 310 through 318  
of the Trust Indenture Act of 1939:

TRUST INDENTURE ACT SECTION		TRUST AGREEMENT SECTION
Section 310	(a)(1) .....	8.7
	(a)(2) .....	8.7
	(a)(3) .....	Not Applicable
	(a)(4) .....	2.7(a)(ii)
	(b) .....	8.8
Section 311	(a) .....	8.12
	(b) .....	8.12
Section 312	(a) .....	5.7
	(b) .....	5.7
	(c) .....	5.7
Section 313	(a) .....	8.13(a)
	(c) .....	10.8
	(d) .....	8.13(c)
	(a)(4) .....	8.13(b)
	(b) .....	8.13(b)
Section 314	(a) .....	8.14
	(b) .....	Not Applicable
	(c)(1) .....	8.15
	(c)(2) .....	8.15
	(c)(3) .....	Not Applicable
	(d) .....	Not Applicable
	(e) .....	1.1, 8.15
Section 315	(a) .....	8.1(a), 8.3(a)
	(b) .....	8.2, 10.8
	(c) .....	8.1(a)
	(d) .....	8.1, 8.3
	(e) .....	Not Applicable
Section 316	(a) .....	Not Applicable
	(a)(1)(A) .....	Not Applicable
	(a)(1)(B) .....	Not Applicable
	(a)(2) .....	Not Applicable
	(b) .....	Not Applicable
	(c) .....	6.7
Section 317	(a)(1) .....	Not Applicable
	(b) .....	5.9
Section 318	(a) .....	10.10

Note: This reconciliation and tie sheet shall not, for any purpose, be deemed to be a part of the Trust Agreement.



AMENDED AND RESTATED TRUST AGREEMENT, dated as of [ ] among (i) Aluminum Company of America, a Pennsylvania corporation, (including any successors or assigns, the "Depositor"), (ii) The Chase Manhattan Bank, a New York banking corporation, as property trustee (in such capacity, the "Property Trustee" and, in its personal capacity and not in its capacity as Property Trustee, the "Bank"), (iii) Chase Manhattan Bank Delaware, a corporation duly organized and existing under the laws of the State of Delaware, as Delaware trustee (in such capacity, the "Delaware Trustee"), (iv) [AT], an individual, [AT], an individual, and [AT], an individual, each of whose address is c/o Aluminum Company of America, 201 Isabella Street, Pittsburgh, PA 15212-5858, each, an "Administrative Trustee" and, collectively, the "Administrative Trustees" and, collectively with the Property Trustee and Delaware Trustee, the "Trustees") and (iv) the several Holders as hereinafter defined.

W I T N E S S E T H:

WHEREAS, the Depositor and certain of the Trustees have heretofore duly declared and created a business trust pursuant to the Delaware Business Trust Act by the entering into of that certain Declaration of Trust, dated as of [ ] (the "Original Trust Agreement"), and by the execution and filing by certain of the Trustees with the Secretary of State of the State of Delaware of the Certificate of Trust, filed on [ ], attached as Exhibit A, for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust (as defined herein) and investing the proceeds thereof in the Debentures (as defined herein); and

WHEREAS, the parties hereto desire to amend and restate the Original Trust Agreement in its entirety as set forth herein to provide for, among other things, (i) the issuance and sale of the Common Securities (as defined herein) by the Trust to the Depositor, (ii) the issuance and sale of the Preferred Securities (as defined herein) by the Trust pursuant to the Underwriting Agreement (as defined herein) and (iii) the acquisition by the Trust from the Depositor of all of the right, title and interest in the Debentures;

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby

acknowledged, each party, for the benefit of the other parties and for the benefit of the Holders of the Preferred Securities, hereby amends and restates the Original Trust Agreement in its entirety and agrees as follows:

ARTICLE 1  
DEFINED TERMS

SECTION 1.1. Definitions. For all purposes of this Trust Agreement,  
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except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Trust Agreement; and

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

"Act" has the meaning specified in Section 6.8.

["Additional Amount" means, with respect to the Trust Securities, the amount of Additional Interest (as defined in the Indenture) paid by the Depositor on the Debentures.]

["Additional Sums" means, with respect to the Trust Securities, the amount of Additional Sums (as defined in the Indenture) paid by the Depositor on the Debentures.]

"Administrative Trustee" means each of [                      ,                      and                      ], each solely in his capacity as Administrative Trustee of the Trust and not in his individual capacity, or such Administrative Trustee's successor in interest in such capacity, or any successor in interest in such capacity, or any successor administrative trustee appointed as herein provided.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, provided, however that an Affiliate of the Depositor shall be deemed not to include the Trust. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

["Applicable Procedures" means, with respect to any transfer or transaction involving a Global Certificate or beneficial interest therein, the rules and procedures of Euroclear and Cedel, and of the Clearing Agency for such security, in each case to the extent applicable to such transaction and as in effect from time to time.]

"Bank" has the meaning specified in the preamble to this Trust Agreement.

"Bankruptcy Event" means, with respect to any Person:

(a) the entry of a decree or order by a court having jurisdiction in the premises judging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjudication or composition of or in respect of such Person under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or of substantially all of its property or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(b) the institution by such Person of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator

(or similar official) of such Person or of substantially all of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due and its willingness to be adjudicated a bankrupt, or the taking of corporate action by such Person in furtherance of any such action.

"Bankruptcy Laws" has the meaning specified in Section 10.9.

"Board of Directors" means either the board of directors of the Depositor or any committee of that board duly authorized to act hereunder.

"Book-Entry Preferred Securities Certificates" means a beneficial interest in the Preferred Securities Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 5.11.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the Corporate Trust Office of the Property Trustee or the corporate trust office of the Debenture Trustee, is closed for business.

"Certificate Depository Agreement" means the agreement among the Trust, the Depositor and The Depository Trust Company, as the initial Clearing Agency, dated as of the Closing Date, relating to the Trust Securities Certificates substantially in the form attached as Exhibit B, as the same may be amended and supplemented from time to time.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The Depository Trust Company will be the initial Clearing Agency.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means the first Time of Delivery (as defined in the Underwriting Agreement), which date is

also the date of execution and delivery of this Trust Agreement.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Securities Certificate" means a certificate evidencing ownership of Common Securities, substantially in the form attached as Exhibit C.

"Common Security" means an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount with respect to the assets of the Trust of \$50 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Common Stock" means common stock, \$1.00 par value per share, of the Depositor.

"Conversion Agent" has the meaning specified in Section 4.3.

"Conversion Date" has the meaning specified in Section 4.3.

"Conversion Price" has the meaning specified in Section 4.3.

"Corporate Trust Office" means the principal corporate trust office of the Property Trustee at which at any particular time its corporate trust business shall be administered, which office at the date hereof is located at 450 West 33rd Street, New York, New York 10001 Attention: Global Trust Services.

"Current Market Price", with respect to Common Stock, means for any day the last reported sale price, regular way, on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the New York Stock Exchange Composite Transactions Tape, or, if Common Stock is not listed or admitted to trading on the New York Stock Exchange on such day, on the principal national securities exchange on which Common Stock is listed or admitted to trading, if Common Stock is listed on a

national securities exchange, or the Nasdaq National Market, or, if Common Stock is not quoted or admitted to trading on such quotation system, on the principal quotation system on which Common Stock may be listed or admitted to trading or quoted, or, if not listed or admitted to trading or quoted on any national securities exchange or quotation system, the average of the closing bid and asked prices of Common Stock in the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or, if not so available in such manner, as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose or, if not so available in such manner, as otherwise determined in good faith by the Board of Directors.

"Debenture Event of Default" means an "Event of Default" as defined in the Indenture.

"Debenture Redemption Date" means, with respect to any Debentures to be redeemed under the Indenture, the date fixed for redemption thereof under the Indenture.

"Debenture Trustee" means [T], a [ ] banking corporation, as trustee under the Indenture.

"Debentures" means all of the Depositor's [ ] [junior] convertible subordinated debentures, \$[ ] aggregate principal amount, issued pursuant to the Indenture.

"Definitive Preferred Securities Certificates" means either or both (as the context requires) of (x) Preferred Securities Certificates issued in certificated, fully registered form as provided in Section 5.11(b) and (y) Preferred Securities Certificates issued in certificated, fully registered form as provided in Section 5.13.

"Delaware Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. ((S)) 3801, et seq., as it may be amended from time to time.

"Delaware Trustee" means the Person identified as the "Delaware Trustee" in the preamble to this Trust Agreement solely in its capacity as Delaware Trustee of the Trust and not in its individual capacity, or its successor in interest in such capacity, or any successor Delaware trustee appointed as herein provided.

"Depositor" has the meaning specified in the preamble to this Trust Agreement.

"Direct Action" has the meaning specified in Section 6.8.

"Distribution Date" has the meaning specified in Section 4.1(a).

"Distributions" means amounts payable in respect of the Trust Securities as provided in Section 4.1.

"Early Dissolution Event" has the meaning specified in Section 9.2.

"Event of Default" means the occurrence of a Debenture Event of Default, whatever the reason for such Debenture Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

"Exchange Notice" has the meaning specified in Section 4.4(b).

"Expiration Date" has the meaning specified in Section 9.1.

"Global Certificate" means a Preferred Security that is registered in the Securities Register in the name of a Clearing Agency or a nominee thereof.

"Guarantee" means the Guarantee Agreement executed and delivered by the Depositor and The Chase Manhattan Bank, a New York banking corporation, as guarantee trustee, contemporaneously with the execution and delivery of this Trust Agreement, for the benefit of the Holders of the Preferred Securities, as amended from time to time.

"Holder" means a Person in whose name a Trust Securities Certificate representing a Trust Security is registered, such Person being a beneficial owner within the meaning of the Delaware Business Trust Act.

"Indenture" means the Junior Convertible Subordinated Indenture, dated as of [ , 1998] between the Depositor and the Debenture Trustee, as amended or supplemented from time to time.

"Investment Company Event" means the receipt by the Property Trustee, on behalf of the Trust, of an Opinion of Counsel, rendered by a law firm having a national tax and securities practice (which Opinion of Counsel shall not have been rescinded by such law firm), to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), there is more than an insubstantial risk that the Trust is or will be considered an "investment company" that is required to be registered under the 1940 Act, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Preferred Securities under this Trust Agreement.

"Lien" means any lien, pledge, charge, encumbrance, mortgage, deed of trust, adverse ownership interest, hypothecation, assignment, security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

"Liquidation Amount" means an amount with respect to the assets of the Trust equal to \$50 per Trust Security.

"Liquidation Date" means each date on which Debentures or cash are to be distributed to Holders of Trust Securities in connection with a dissolution and liquidation of the Trust pursuant to Section 9.4(a).

"Liquidation Distribution" has the meaning specified in Section 9.4(d).

"1940 Act" means the Investment Company Act of 1940, as amended.

"Notice of Conversion" means the notice given by a Holder of Preferred Securities to the Conversion Agent directing the Conversion Agent to exchange such Preferred Securities for Debentures and to convert such Debentures into Common Stock on behalf of such holder. Such notice is substantially in the form set forth in Exhibit E.

"Officers' Certificate" means a certificate signed by (i) the Chairman of the Board, Vice Chairman of the Board, the President or a Vice President, and by (ii) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, the Controller, or an Assistant Controller, of the Depositor, and delivered to the Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 8.15 shall be the principal executive,



financial or accounting officer of the Depositor. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Trust Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Trust, the Property Trustee or the Depositor, and who may be an employee of any thereof, and who shall be reasonably acceptable to the Property Trustee. Any Opinion of Counsel delivered with respect to compliance with a condition or covenant provided for in this Trust Agreement shall include:

(a) a statement that the counsel signing the Opinion of Counsel has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by such counsel in rendering the Opinion of Counsel;

(c) a statement that such counsel has made such examination or investigation as is necessary to enable such counsel to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such counsel, such condition or covenant has been complied with.

"Optional Redemption Price" means with respect to the Preferred Securities (except as set forth below with

respect to redemption upon the occurrence of a Tax Event), the following percentages of the Liquidation Amounts thereof, plus accumulated and unpaid Distributions, if any, to the date fixed for redemption if redeemed during the twelve-month period commencing [ ] in each of the following years indicated:

Year	Redemption Price	Year	Redemption Price
-----	-----	-----	-----
[ ]	[ ]%	[ ]	[ ]%
[ ]	[ ]%	[ ]	[ ]%
[ ]	[ ]%	[ ] and thereafter	[ ]%
[ ]	[ ]%		

In the event of a redemption of Trust Securities upon the occurrence of a Tax Event, Trust Securities shall be redeemed at the redemption price of \$50 per Trust Security and all accumulated and unpaid Distributions, if any, to the date fixed for redemption.

"Original Trust Agreement" has the meaning specified in the recitals to this Trust Agreement.

"Outstanding", when used with respect to Trust Securities, means, as of the date of determination, all Trust Securities theretofore executed and delivered under this Trust Agreement, except:

- (a) Trust Securities theretofore cancelled by the Securities Registrar or delivered to the Securities Registrar for cancellation or tendered for conversion;
- (b) Trust Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Property Trustee or any Paying Agent for the Holders of such Trust Securities; provided that, if such Trust Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Trust Agreement;
- (c) Trust Securities which have been exchanged for Debentures pursuant to Section 4.4; and
- (d) Trust Securities which have been paid or in exchange for or in lieu of which other Trust Securities have been executed and delivered pursuant to Section 5.5;

provided, however, that in determining whether the Holders of the requisite

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Liquidation Amount of the Outstanding Trust Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Trust Securities owned by the Depositor, any Trustee or any Affiliate of the Depositor or any Trustee shall be disregarded and deemed not to be Outstanding, except that (a) in determining whether any Trustee shall be fully protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Trust Securities that a Responsible Officer of the Property Trustee or the Delaware Trustee, or an individual Administrative Trustee, as the case may be, actually knows to be so owned shall be so disregarded and (b) the foregoing shall not apply at any time when all of the Outstanding Trust Securities are owned by the Depositor, one or more of the Administrative Trustees and/or any such Affiliate. Trust Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Securities Registrar the pledgee's right so to act with respect to such Trust Securities and that the pledgee is not the Depositor or any Affiliate of the Depositor.

"Owner" means each Person who is the beneficial owner of a Book-Entry Preferred Securities Certificate as reflected in the records of the Clearing Agency or, if a Clearing Agency Participant is not the Owner, then as reflected in the records of a Person maintaining an account with such Clearing Agency (directly or indirectly, in accordance with the rules of such Clearing Agency).

"Paying Agent" means any paying agent or co-paying agent appointed pursuant to Section 5.9.

"Payment Account" means a segregated non-interest bearing corporate trust account maintained by the Property Trustee with the Bank in its trust department for the benefit of the Securityholders in which all amounts paid in respect of the Debentures will be held and from which the Property Trustee shall make payments to the Securityholders in accordance with Section 4.1.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Securities Certificate" means a certificate evidencing ownership of Preferred Securities, substantially in the form attached as Exhibit D.

"Preferred Security" means an undivided beneficial interest in the assets of the Trust, having a Liquidation Amount with respect to the assets of the Trust of \$50 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Property Trustee" means the commercial bank or trust company identified as the "Property Trustee" in the preamble to this Trust Agreement solely in its capacity as Property Trustee of the Trust and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as herein provided.

"Redemption Date" means, with respect to any Trust Security to be redeemed, each Debenture Redemption Date.

"Redemption Price" means, with respect to any Trust Security, \$50 per Trust Security, plus accumulated and unpaid Distributions (including any Additional Sums) to the date of redemption.

"Relevant Trustee" has the meaning specified in Section 8.9.

"Responsible Officer" means, with respect to the Property Trustee or the Delaware Trustee, any officer, including any managing director, vice president, assistant vice president, assistant treasurer, assistant secretary or any other officer of the Property Trustee or the Delaware Trustee, as the case may be, customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of this Trust Agreement, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities Register" and "Securities Registrar" have the respective meanings specified in Section 5.4.

"Securityholder" or "Holder" means a Person in whose name a Trust Security or Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act.

"Special Event" means a Tax Event or an Investment Company Event.

"Successor Property Trustee" has the meaning specified in Section 8.9.

"Successor Delaware Trustee" has the meaning specified in Section 8.9.

"Successor Securities" has the meaning specified in Section 9.5.

"Super Majority" has the meaning specified in Section 8.2.

"Tax Event" means the receipt by the Property Trustee, on behalf of the Trust, of an Opinion of Counsel, rendered by a law firm having a national tax and securities practice (which Opinion of Counsel shall not have been rescinded by such law firm), to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of the Preferred Securities under this Trust Agreement and does not pertain to the use of the proceeds of the issuance of the Debentures, there is more than an insubstantial risk in each case after the date thereof that (i) the Trust is, or will be within 90 days after the date thereof, subject to United State Federal income tax with respect to income received or accrued on the Debentures, (ii) interest payable by the Depositor on the Debentures is not, or will not be, within 90 days after the date thereof, deductible, in whole or in part, for United States Federal income tax purposes or (iii) the Trust is, or will be within 90 days after the date thereof, subject to more than de minimus amount of  
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other taxes, duties, assessments or other governmental charges.

"Trust" means the Delaware business trust continued hereby and identified on the cover page of this Trust Agreement.

"Trust Agreement" means this Amended and Restated Trust Agreement, as the same may be modified, amended or supplemented in accordance with the applicable provisions hereof, including all exhibits hereto, including, for all

purposes of this Trust Agreement any such modification, amendment or supplement, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Trust Agreement and any such modification, amendment or supplement, respectively.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, -----  
that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"Trust Property" means (a) the Debentures, (b) any cash on deposit in, or owing to, the Payment Account and (c) all proceeds and rights in respect of the foregoing to be held by the Property Trustee pursuant to the terms of this Trust Agreement for the benefit of the Securityholders.

"Trust Security" means any one of the Common Securities or the Preferred Securities.

"Trust Securities Certificate" means any one of the Common Securities Certificates, the Global Certificates or the Definitive Preferred Securities Certificates.

"Trustees" means, collectively, the Property Trustee, the Delaware Trustee and the Administrative Trustees.

"Underwriting Agreement" means the Underwriting Agreement, dated as of [ ], including the Pricing Agreement dated [ ], among the Trust, the Depositor and the Underwriters named therein.

ARTICLE 2  
ESTABLISHMENT OF THE TRUST

SECTION 2.1. Name. The Trust continued hereby shall be known as -----

"Alcoa Trust [ ], as such name may be modified from time to time by the Administrative Trustees following written notice to the Holders of Trust Securities and the other Trustees, in which name the Trustees may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

SECTION 2.2. Office of the Delaware Trustee; Principal Place of -----  
Business. The address of the Delaware  
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Trustee in the State of Delaware is 1201 Market Street, Wilmington, Delaware 19801, Attention: Corporate Trust Department, or such other address in the State of Delaware as the Delaware Trustee may designate by written notice to the Securityholders and the Depositor. The principal executive office of the Trust is 201 Isabella Street, Pittsburgh, PA 15212-5858.

SECTION 2.3. Organizational Expenses. The Depositor shall pay

organizational expenses of the Trust as they arise or shall, upon request of any Trustee, promptly reimburse such Trustee for any such expenses paid by such Trustee. The Depositor shall make no claim upon the Trust Property for the payment of such expenses.

SECTION 2.4. Issuance of the Preferred Securities. On [ ],

the Depositor on behalf of the Trust executed and delivered the Underwriting Agreement. Contemporaneously with the execution and delivery of this Trust Agreement, an Administrative Trustee, on behalf of the Trust, shall execute in accordance with Section 5.2 and deliver to the Underwriters named in the Underwriting Agreement Preferred Securities Certificates, in an aggregate amount of [ ] Preferred Securities having an aggregate Liquidation Amount of \$[ ], against receipt of the aggregate purchase price of such Preferred Securities of \$[ ], which amount the Administrative Trustees shall promptly deliver, or cause to be delivered, to the Property Trustee.

SECTION 2.5. Subscription and Purchase of Debentures; Issuance of the

Common Securities. Contemporaneously with the execution and delivery of this Trust Agreement, the Administrative Trustees, on behalf of the Trust, shall subscribe to and purchase from the Depositor Debentures, registered in the name of the Property Trustee (in its capacity as such) and having an aggregate principal amount equal to \$[ ], and, in satisfaction of the purchase price for such Debentures, the Property Trustee, on behalf of the Trust, shall deliver to the Depositor the sum of \$[ ]. Contemporaneously therewith, an Administrative Trustee, on behalf of the Trust, shall execute in accordance with Section 5.2 and deliver to the Depositor Common Securities Certificates registered in the name of the Depositor, in an aggregate amount of [ ] Common Securities having an aggregate Liquidation Amount of \$[ ] against receipt by the Property Trustee of the aggregate purchase price of such Common Securities from the Depositor of the sum of \$[ ].

SECTION 2.6. Declaration of Trust. The exclusive purposes and

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functions of the Trust are (a) to issue and sell Trust Securities and use the proceeds from such sale to acquire the Debentures, (b) to distribute the Trust's income as provided in this Trust Agreement and (c) to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, mortgage or pledge any of its assets or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States Federal income tax purposes as a grantor trust. The Depositor hereby appoints the Trustees as trustees of the Trust, to have all the rights, powers and duties to the extent set forth herein, and the Trustees hereby accept such appointment, subject to the terms and conditions hereof. The Property Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the benefit of the Trust and the Securityholders. The Administrative Trustees shall have all rights, powers and duties set forth herein and in accordance with applicable law with respect to accomplishing the purposes of the Trust. The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities, of the Property Trustee or the Administrative Trustees set forth herein. The Delaware Trustee shall be one of the Trustees of the Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act. In the event the Delaware Trustee shall at any time be required to take any action or perform any duty hereunder, the Delaware Trustee shall be entitled to the benefits of Section 8.1(c) and Section 8.3. No implied covenants or obligations shall be read into this Trust Agreement against the Delaware Trustee.

SECTION 2.7. Authorization to Enter into Certain Transactions. (a)

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The Trustees shall conduct the affairs of the Trust in accordance with the terms of this Trust Agreement. Subject to the limitations set forth in Section 2.6 and paragraph (b) of this Section, and in accordance with the following provisions (i) and (ii), the Trustees shall have the exclusive power, duty and the authority to cause the Trust to engage in the following activities:

- (i) As among the Trustees, each Administrative Trustee shall have the exclusive power and authority to



act on behalf of the Trust with respect to the following matters:

(A) to issue and sell the Trust Securities, provided, however,

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that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities, and, provided, further, that there shall be no interests in the Trust other than the Trust Securities, and the issuance of Trust Securities shall be limited to simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date and any other date Preferred Securities and Common Securities are sold pursuant to the over-allotment option granted to the Underwriters named in the Underwriting Agreement, subject to the issuance of Trust Securities pursuant to Section 5.5 and Successor Securities pursuant to Section 9.5;

(B) to cause the Trust to enter into, and to execute, deliver and perform on behalf of the Trust, the Certificate Depository Agreement and such other agreements as may be necessary or incidental to the purposes and function of the Trust;

(C) to assist in the registration of the Preferred Securities under the Securities Act of 1933, as amended, and under state securities or blue sky laws, and the qualification of this Trust Agreement as a trust indenture under the Trust Indenture Act;

(D) to assist in the listing of the Preferred Securities upon such securities exchange or exchanges, if any, as shall be determined by the Depositor and the registration of the Preferred Securities under the Securities Exchange Act of 1934, as amended, and the preparation and filing of all periodic and other reports and other documents pursuant to the foregoing (only to the extent that such listing or registration is requested by the Depositor);

(E) to appoint a Paying Agent, a Securities Registrar and an authenticating agent in accordance with this Trust Agreement;

(F) to the extent provided in this Trust Agreement, to wind up the affairs of and liquidate

the Trust and prepare, execute and file the certificate of cancellation with the Secretary of State of the State of Delaware;

(G) unless otherwise required by the Delaware Business Trust Act or the Trust Indenture Act, to execute on behalf of the Trust (either acting alone or together with any other Administrative Trustees) any documents that the Administrative Trustees have the power to execute pursuant to this Trust Agreement; and

(H) to take any action incidental to the foregoing as the Trustees may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement including, but not limited to:

(i) causing the Trust not to be deemed to be an Investment Company required to be registered under the 1940 Act;

(ii) causing the Trust to be classified for United States Federal income tax purposes as a grantor trust; and

(iii) cooperating with the Depositor to ensure that the Debentures will be treated as indebtedness of the Depositor for United States Federal income tax purposes;

provided that such action does not adversely affect in any material  
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respect the interests of Securityholders except as otherwise provided in Section 10.2(a).

(I) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

(ii) As among the Trustees, the Property Trustee shall have the power, duty and authority to act on behalf of the Trust with respect to the following matters:

(A) the establishment of the Payment Account;

(B) the receipt of and taking title to the Debentures;

(C) the collection of interest, principal and any other payments made in respect of the Debentures in the Payment Account;

(D) the distribution from the Trust Property of amounts owed to the Securityholders in respect of the Trust Securities;

(E) the exercise of all of the rights, powers and privileges of a holder of the Debentures;

(F) the sending of notices of default, other notices and other information regarding the Trust Securities and the Debentures to the Securityholders in accordance with this Trust Agreement;

(G) the distribution of the Trust Property in accordance with the terms of this Trust Agreement;

(H) to the extent provided in this Trust Agreement, the winding up of the affairs of and liquidation of the Trust;

(I) after an Event of Default of which a Responsible Officer of the Property Trustee has knowledge, the taking of any action incidental to the foregoing as the Property Trustee may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement and protect and conserve the Trust Property for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder);

(J) subject to this Section 2.7(a)(ii), the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Administrative Trustees set forth in Section 2.7(a)(i); and

(K) to act as Paying Agent and/or Securities Registrar to the extent appointed as such hereunder.

(b) So long as this Trust Agreement remains in effect, the Trust (or the Trustees acting on behalf of the Trust) shall not undertake any business, activities or transaction except as expressly provided herein or contemplated hereby. In particular, the Trust shall not, and the Trustees shall not and shall not cause the Trust to

(i) invest any proceeds received by the Trust from holding the Debentures (rather, the Trustees shall distribute all such proceeds to the Securityholders pursuant to the terms of this Trust Agreement and the Trust Securities), acquire any investments or engage in any activities not authorized by this Trust Agreement, (ii) sell, assign, transfer, exchange, mortgage, pledge, set-off or otherwise dispose of any of the Trust Property or interests therein, including to Securityholders, except as expressly provided herein, (iii) take any action that would cause the Trust to fail or cease to qualify as a "grantor trust" for United States Federal income tax purposes, (iv) make any loans or incur any indebtedness for borrowed money or issue any other debt, (v) take or consent to any action that would result in the placement of a Lien on any of the Trust Property, (vi) possess any power or otherwise act in such a way as to vary the Trust assets or the terms of the Trust Securities in any way whatsoever except as permitted by the terms of this Trust Agreement, or (vii) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Trust Securities. The Administrative Trustees shall defend all claims and demands of all Persons at any time claiming any Lien on any of the Trust Property adverse to the interest of the Trust or the Securityholders in their capacity as Securityholders.

(c) In connection with the issue and sale of the Preferred Securities, the Depositor shall have the right and responsibility to assist the Trust with respect to, or effect on behalf of the Trust, the following actions (and any actions taken by the Depositor in furtherance of the following prior to the date of this Trust Agreement are hereby ratified and confirmed in all respects):

(i) to file by the Trust with the Commission and to execute on behalf of the Trust a registration statement on the appropriate form in relation to the Preferred Securities, including any amendments thereto;

(ii) to determine the States and foreign jurisdictions in which to take appropriate action to qualify or register for resale all or part of the Preferred Securities and to do any and all such acts, other than actions which must be taken by or on behalf of the Trust, and advise the Trustees of actions they must take on behalf of the Trust, and prepare for execution and filing any documents to be executed and filed by the Trust or on behalf of the Trust, as the Depositor deems necessary or advisable in order to comply with the applicable laws of any such States and foreign jurisdictions;

(iii) to the extent necessary, to prepare for filing by the Trust with the Commission and to execute on behalf of the Trust a registration statement on Form 8-A relating to the registration of the Preferred Securities under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended, including any amendments thereto (it being understood that neither the Trust nor the Depositor has any obligation under the Indenture, the Underwriting Agreement or the Trust Agreement to register any Trust Securities under the Securities Exchange Act of 1934, as amended, or to list any Trust Securities on any securities exchange);

(iv) to negotiate, and to execute and deliver, on behalf of the Trust, the Underwriting Agreement; and

(v) any other actions necessary or incidental to carry out any of the foregoing activities.

(d) Notwithstanding anything herein to the contrary, the Administrative Trustees are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that the Trust will not be deemed to be an "investment company" required to be registered under the 1940 Act, or taxed as a corporation for United States Federal income tax purposes and so that the Debentures will be treated as indebtedness of the Depositor for United States Federal income tax purposes. In this connection, the Depositor and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the Certificate of Trust or this Trust Agreement, that each of the Depositor and the Administrative Trustees determines in their discretion to be necessary or desirable for such purposes, so long as such action does not adversely affect in any material respect the interests of the Holders of the Preferred Securities except as otherwise provided in Section 10.2(a).

SECTION 2.8. Assets of Trust. The assets of the Trust shall consist  
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of only the Trust Property.

SECTION 2.9. Title to Trust Property. Legal title to all Trust  
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Property shall be vested at all times in the Property Trustee (in its capacity as such) and shall be held and administered by the Property Trustee for the benefit of the Trust and the Securityholders in accordance with this Trust Agreement. The Securityholders shall not have legal title to any part of the assets of the Trust, but shall have an undivided beneficial interest in the assets of the Trust.

ARTICLE 3  
PAYMENT ACCOUNT

SECTION 3.1. Payment Account. (a) On or prior to the Closing Date,  
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the Property Trustee shall establish the Payment Account. The Property Trustee and any agent of the Property Trustee shall have exclusive control and sole right of withdrawal with respect to the Payment Account for the purpose of making deposits in and withdrawals from the Payment Account in accordance with this Trust Agreement. All monies and other property deposited or held from time to time in the Payment Account shall be held by the Property Trustee in the Payment Account for the exclusive benefit of the Securityholders and for distribution as herein provided, including (and subject to) any priority of payments provided for herein.

(b) The Property Trustee shall deposit in the Payment Account, promptly upon receipt, all payments of principal of or interest on, and any other payments or proceeds with respect to, the Debentures. Amounts held in the Payment Account shall not be invested by the Property Trustee pending distribution thereof.

ARTICLE 4  
DISTRIBUTIONS; REDEMPTION; EXCHANGE; CONVERSION

SECTION 4.1. Distributions. (a) Distributions on the Trust  
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Securities shall be cumulative, and shall accrue from the date of original issuance, or the most recent Distribution Date (as defined herein) and, except in the event that the Depositor exercises its right to defer the payment of interest on the Debentures pursuant to the Indenture, shall be payable quarterly in arrears on [ ], [ ], [ ] and [ ] of each year, commencing on [ ] (which dates correspond to the interest payment dates on the Debentures), when, as and if available for payment by the Property Trustee, as further described in paragraph (c) of this Section 4.1. If any date on which Distributions are otherwise payable on the Trust Securities is not a Business Day, then the payment of such Distributions shall be made on the next succeeding day which is a Business Day (and no interest shall accrue for the period from and after such date until the next succeeding Business Day) with the same force and effect as if made on such date (each date on which Distributions are payable in accordance with this Section 4.1(a), a "Distribution Date").

(b) The Trust Securities represent undivided beneficial interests in the Trust Property, and the Distributions on the Trust Securities shall be payable at a rate of [ ]% per annum of the Liquidation Amount of the Trust Securities, such rate being the rate of interest payable on the Debentures to be held by the Property Trustee. The amount of Distributions payable for any period shall be computed on the basis of a 360-day year of twelve 30-day months. For periods less than a full month, Distributions shall reflect interest on Debentures computed on the basis of the actual number of elapsed days based on a 360-day year. The amount of Distributions payable for any period shall include the Additional Amounts, if any.

(c) Distributions on the Trust Securities shall be made by the Property Trustee from the Payment Account and shall be payable on each Distribution Date only to the extent that the Trust has funds then on hand and available in the Payment Account for the payment of such Distributions.

(d) Distributions on the Trust Securities with respect to a Distribution Date shall be payable to the Holders thereof as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be the date which is the fifteenth day (whether or not a Business Day) next preceding such Distribution Date.

SECTION 4.2. Redemption. (a) Upon an optional redemption (as set

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forth in the Indenture) of Debentures, the proceeds from such redemption shall be applied to redeem Trust Securities having an aggregate Liquidation Amount equal to the aggregate principal amount of the Debentures so redeemed by the Depositor, including pursuant to Section 4.4, at the Optional Redemption Price, and upon a mandatory redemption (as set forth in the Indenture) of Debentures, the proceeds from such redemption shall be applied to redeem Trust Securities, having an aggregate Liquidation Amount equal to the aggregate principal amount of the Debentures so redeemed by the Depositor, at the Redemption Price. The Trust may not redeem fewer than all the Outstanding Trust Securities unless all accrued and unpaid Distributions have been paid on all Trust Securities for all quarterly Distribution periods terminating on or prior to the date of redemption.

(b) Notice of redemption (which notice will be irrevocable) shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date to the Depositor and each Holder of Trust Securities to be

redeemed, at such Holder's address as it appears in the Securities Register. All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price or the Optional Redemption Price, as the case may be;

(iii) the record date for the determination of Holders entitled to receive payment of the Redemption Price or Optional Redemption Price, as the case may be, as provided in Section 4.2(d);

(iv) the CUSIP number;

(v) if less than all of the Outstanding Trust Securities are to be redeemed, the identification and the aggregate Liquidation Amount of the particular Trust Securities to be redeemed;

[(vi) the Conversion Price and that a Holder of Preferred Securities who desires to convert such Preferred Securities called for redemption must satisfy the requirements for conversion contained in Section 4.3 below;]

(vii) that on the Redemption Date, the Redemption Price or the Optional Redemption Price, as the case may be, will become due and payable upon each such Trust Security to be redeemed and that Distributions thereon will cease to accrue on and after said date; and

(viii) the place or places where such Trust Securities are to be surrendered for payment of the Redemption Price or the Optional Redemption Price, as the case may be.

(c) The Trust Securities redeemed on each Redemption Date shall be redeemed at the Redemption Price or the Optional Redemption Price, as the case may be, with the proceeds from the contemporaneous redemption of Debentures. Redemptions of the Trust Securities shall be made and the Redemption Price or the Optional Redemption Price, as the case may be, shall be payable on each Redemption Date only to the extent that the Trust has funds then on hand and available in the Payment Account for the payment of such Redemption Price or the Optional Redemption Price, as the case may be.

(d) If the Property Trustee gives a notice of redemption in respect of any Preferred Securities, then, by



12:00 noon, New York City time, on the Redemption Date, subject to Section 4.2(c), the Property Trustee will, so long as and to the extent the Preferred Securities are in book-entry-only form, irrevocably deposit with the Clearing Agency for the Preferred Securities funds sufficient to pay the applicable Redemption Price. If the Preferred Securities are no longer in book-entry-only form, the Property Trustee, subject to Section 4.2(c), will irrevocably deposit with the Paying Agent funds sufficient to pay the applicable Redemption Price or Optional Redemption Price, as the case may be, on such Preferred Securities held in certificated form and will give the Paying Agent irrevocable instructions and authority to pay the Redemption Price or the Optional Redemption Price, as the case may be, to the Holders thereof upon surrender of their Preferred Securities Certificates. Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date for any Trust Securities called for redemption shall be payable to the Holders of such Trust Securities as they appear on the Securities Register for the Trust Securities on the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then, upon the date of such deposit, all rights of Securityholders holding Trust Securities so called for redemption will cease, except (i) the right of such Securityholders to receive the Redemption Price or the Optional Redemption Price, as the case may be, but without interest, and (ii) the right to convert such Preferred Securities into Common Stock in the manner provided in Section 4.3 through the close of business on the Redemption Date; and such Trust Securities will cease to be Outstanding. In the event that any date on which any Redemption Price or the Optional Redemption Price, as the case may be, is payable is not a Business Day, then payment of the Redemption Price or the Optional Redemption Price, as the case may be, payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on such date. Payment of the Redemption Price or the Optional Redemption Price, as the case may be, shall be made to the Holders of such Trust Securities as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be the date which is the fifteenth day (whether or not a Business Day) preceding such Redemption Date.

(e) If less than all the Outstanding Trust Securities are to be redeemed on a Redemption Date, then the

aggregate Liquidation Amount of Trust Securities to be redeemed shall be allocated on a pro rata basis (based on Liquidation Amounts) among the Common

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Securities and the Preferred Securities that are to be redeemed. The particular Preferred Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Property Trustee from the Outstanding Preferred Securities not previously called for redemption, by lot or by such other method as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$50 or an integral multiple of \$50 in excess thereof) of the Liquidation Amount of the Preferred Securities. The Property Trustee shall promptly notify the Securities Registrar and the Conversion Agent in writing of the Preferred Securities selected for redemption and, in the case of any Preferred Securities selected for partial redemption, the Liquidation Amount thereof to be redeemed; it being understood that, in the case of Preferred Securities registered in the name of and held of record by the Clearing Agency (or any successor) or any nominee, the distribution of the proceeds of such redemption will be made in accordance with the procedures of the Clearing Agency or its nominee. For all purposes of this Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of Preferred Securities shall relate, in the case of any Preferred Securities redeemed or to be redeemed only in part, to the portion of the Liquidation Amount of Preferred Securities which has been or is to be redeemed. In the event of any redemption in part, the Trust shall not be required to (i) issue, register the transfer of or exchange of any Preferred Security during a period beginning at the opening of business 15 days before any selection for redemption of Preferred Securities and ending at the close of business on the earliest date in which the relevant notice of redemption is deemed to have been given to all Holders of Preferred Securities to be so redeemed or (ii) register the transfer of or exchange of any Preferred Securities so selected for redemption, in whole or in part, except for the unredeemed portion of any Preferred Securities being redeemed in part.

(f) In the event of any redemption, the Trust shall not be required to issue, register the transfer of or register the exchange of any Preferred Security during a period beginning at the opening of business 15 days before any Redemption Date and ending at the close of business on such Redemption Date.

[SECTION 4.3. Conversion. The Holders of Trust Securities, subject

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to the limitations set forth in this Section, shall have the right, at their option, to cause the

Conversion Agent to convert Trust Securities, on behalf of the converting Holders, into shares of Common Stock in the manner described herein on and subject to the following terms and conditions:

(i) The Trust Securities will be convertible into fully paid and nonassessable shares of Common Stock pursuant to the Holders direction to the Conversion Agent to exchange such Trust Securities for a portion of the Debentures having a principal amount equal to the aggregate Liquidation Amount of such Trust Securities, and promptly convert such amount of Debentures into fully paid and nonassessable shares of Common Stock at an initial rate of [ ] shares of Common Stock for each Trust Security (which is equivalent to a conversion price of approximately \$[ ] per \$50 principal amount of Debentures), subject to certain adjustments set forth in the Indenture (as so adjusted, the "Conversion Price").

(ii) In order to convert Trust Securities into Common Stock, the Holder of such Trust Securities shall submit to the Conversion Agent an irrevocable Notice of Conversion to convert Trust Securities on behalf of such Holder, together, if the Trust Securities are in certificated form, with such certificates. The Notice of Conversion shall (i) set forth the number of Trust Securities to be converted and the name or names, if other than the Holder, in which the shares of Common Stock should be issued and (ii) direct the Conversion Agent (a) to exchange such Trust Securities for a portion of the Debentures held by the Property Trustee (at the rate of exchange specified in the preceding paragraph) and (b) to promptly convert such Debentures, on behalf of such Holder, into Common Stock (at the conversion rate specified in the preceding paragraph). The Conversion Agent shall notify the Property Trustee in writing of the Holder's election to exchange Trust Securities for a portion of the Debentures held by the Property Trustee and the Property Trustee shall, upon receipt of such written notice, deliver to the Conversion Agent the appropriate principal amount of Debentures for exchange in accordance with this Section. The Conversion Agent shall thereupon notify the Depositor of the Holder's election to convert such Debentures into shares of Common Stock. Holders of Trust Securities at the close of business on a Distribution payment record date will be entitled to receive the Distribution paid on such Trust Securities on the corresponding Distribution Date notwithstanding the conversion of such Trust Securities on or following

such record date but prior to such distribution Date. Except as provided above, neither the Trust nor the Depositor will make, or be required to make, any payment, allowance or adjustment upon any conversion on account of any accumulated and unpaid Distributions whether or not in arrears accrued on the Trust Securities surrendered for conversion, or on account of any accumulated and unpaid dividends on the shares of Common Stock issued upon such conversion. Trust Securities submitted for conversion prior to the expiration of conversion rights as provided in Section 4.3(iii) shall be deemed to have been converted immediately prior to the close of business on the day on which an irrevocable Notice of Conversion relating to such Trust Securities is received by the Conversion Agent in accordance with the foregoing provision (the "Conversion Date"). The Person or Persons entitled to receive the Common Stock issuable upon conversion of the Debentures shall be treated for all purposes as the record holder or holders of such Common Stock on the Conversion Date of conversion. As promptly as practicable on or after the Conversion Date, the Depositor shall issue and deliver at the office of the Conversion Agent a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with the cash payment, if any, in lieu of any fraction of any share to the Person or Persons entitled to receive the same, unless otherwise directed by the Holder in the notice of conversion and the Conversion Agent shall distribute such certificate or certificates to such Person or Persons.

(iii) The conversion rights of holders of the Debentures and the corresponding conversion rights of Holders of Trust Securities shall expire at the close of business on the date set for redemption of the Trust Securities upon the mandatory or optional redemption of the Debentures.

(iv) Each Holder of a Trust Security by its acceptance thereof initially appoints [ ] not in its individual capacity but solely as conversion agent (the "Conversion Agent") for the purpose of effecting the conversion of Trust Securities in accordance with this Section. In effecting the conversion and transactions described in this Section, the Conversion Agent shall be acting as agent of the Holders of Trust Securities directing it to effect such conversion transactions. The Conversion Agent is hereby authorized (i) to exchange Trust Securities from

time to time for Debentures held by the Trust in connection with the conversion of such Trust Securities in accordance with this Section and (ii) to convert all or a portion of the Debentures into Common Stock and thereupon to deliver such shares of Common Stock in accordance with the provisions of this Section and to deliver to the Property Trustee any new Debenture or Debentures for any resulting unconverted principal amount delivered to the Conversion Agent by the Debenture Trustee.

(v) No fractional shares of Common Stock will be issued as a result of conversion, but, in lieu thereof, such fractional interest will be paid in cash by the Depositor to the Conversion Agent in an amount equal to the Current Market Price of the fractional share of the Common Stock, and the Conversion Agent will in turn make such payment to the Holder or Holders of Trust Securities so converted.

(vi) Nothing in this Section 4.3 shall limit the requirement of the Trust to withhold taxes pursuant to the terms of the Trust Securities or as set forth in this Trust Agreement or otherwise required of the Property Trustee or the Trust to pay any amounts on account of such withholdings.]

SECTION 4.4. Special Event Exchange or Redemption. (a) If a Special

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Event shall occur and be continuing, the Property Trustee shall direct the Conversion Agent to exchange all Outstanding Trust Securities for Debentures having a principal amount equal to the aggregate Liquidation Amount of the Trust Securities to be exchanged and with accrued interest in an amount equal to any unpaid Distribution (including any Additional Amounts) on the Trust Securities; provided, however, that, in the case of a Tax Event, the Depositor shall have

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the right to (i) direct that less than all, or none, as appropriate, of the Trust Securities be so exchanged if and for so long as the Depositor shall have elected to pay any Additional Sums (as defined in the Indenture) such that the amount received by Holders of Trust Securities not so exchanged in respect of Distributions and other distributions are not reduced as a result of such Tax Event, and shall not have revoked any such election or failed to make such payments or (ii) cause the Trust Securities to be redeemed in the manner set forth below. If a Tax Event shall occur and be continuing, the Depositor shall have the right, upon not less than 30 nor more than 60 days' notice, to redeem the Debentures, in whole or in part, for cash upon the later of (i) 90 days following the occurrence of such Tax Event or

(ii) [ ]. Promptly following such redemption, Trust Securities with an aggregate Liquidation Amount equal to the aggregate principal amount of the Debentures so redeemed will be redeemed by the Trust at the Optional Redemption Price applicable in the event of a redemption upon the occurrence of a Tax Event on a pro rata basis.  
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(b) Notice of any exchange pursuant to this Section 4.4 (an "Exchange Notice") of the Trust Securities, which Exchange Notice shall be irrevocable, will be given by the Property Trustee by first-class mail to the Depositor and to each record Holder of Trust Securities to be exchanged not fewer than 30 nor more than 60 days prior to the date fixed for exchange thereof. For purposes of the calculation of the date of exchange and the dates on which notices are given pursuant to this paragraph (b), an Exchange Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to each Holder. Each Exchange Notice shall be addressed to each Holder of Trust Securities at the address of such Holder appearing in the Securities Register. Each Exchange Notice shall state: (A) the exchange date; (B) the aggregate Liquidation Amount and any unpaid Distributions (including any Additional Amounts) on the Trust Securities to be exchanged and the aggregate principal amount and any accrued interest on the Debentures to be exchanged therefor; (C) that on the exchange date the Trust Securities to be so exchanged shall be exchanged for Debentures and that Distributions on the Trust Securities so exchanged will cease to accumulate on and after said date; (D) the record date for the determination of Holders of Trust Securities to be exchanged as provided in Section 4.4(g); and (E) the identity of the Conversion Agent, if any, and the place or places where each Trust Certificate to be exchanged is to be surrendered in exchange for Debentures. No defect in the Exchange Notice or in the mailing thereof with respect to any Trust Security shall affect the validity of the exchange proceedings for any other Trust Security.

(c) In the event that fewer than all the Outstanding Preferred Securities are to be exchanged, then, on the exchange date, (i) if all of the Outstanding Preferred Securities are represented by Definitive Preferred Securities Certificates, the particular Preferred Securities to be exchanged will be selected by the Property Trustee from the Outstanding Preferred Securities not previously called for redemption or exchange on a pro rata basis,  
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and (ii) if all of the Outstanding Preferred Securities are represented by Book-Entry Preferred Securities Certificates, the Property Trustee shall provide for the selection for

exchange of a portion of the Global Certificate representing the Book-Entry Preferred Securities Certificates on a pro rata basis. In the case of clause

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(ii) above, the particular Book-Entry Preferred Securities Certificates to be exchanged shall be selected in accordance with the applicable rules and procedures for the Clearing Agency in whose name, or whose nominee's name, such Global Certificate is then held. Any Preferred Securities Certificate that is to be exchanged only in part shall be surrendered with due endorsement or by a written instrument of transfer fully executed by the Holder thereof (or its attorney duly authorized in writing) and the Trust shall prepare and deliver to such Holder, without service charge, a new Preferred Securities Certificate or Certificates in aggregate stated Liquidation Amount equal to, and in exchange for, the unredeemed portion of the Preferred Securities Certificate so surrendered. The Common Securities shall be exchanged in a similar manner.

(d) In the event of an exchange pursuant to this Section 4.4, on the date fixed for any such exchange, (i) if the Preferred Securities are represented by Book-Entry Preferred Securities Certificates, the Clearing Agency or its nominee, as the record Holder of the Preferred Securities, will exchange through the Conversion Agent the Global Certificate representing the Preferred Securities to be exchanged for a registered Global Certificate or certificates representing the Debentures to be delivered upon such exchange, (ii) if the Preferred Securities are represented by Definitive Preferred Securities Certificates, the certificates representing the Preferred Securities to be so exchanged will be deemed to represent Debentures having a principal amount equal to the aggregate stated Liquidation Amount of such Preferred Securities until such certificates are presented to the Conversion Agent for exchange for definitive certificates representing Debentures and (iii) all rights of the Holders of the Preferred Securities so exchanged will cease, except for the right of such Holders to receive Debentures. The Common Securities shall be exchanged in a similar manner.

(e) Each Holder, by becoming a party to this Trust Agreement pursuant to Section 10.11 of this Trust Agreement, will be deemed to have agreed to be bound by these exchange provisions in regard to the exchange of Trust Securities for Debentures pursuant to the terms described above.

(f) Nothing in this Section 4.4 shall limit the requirement of the Trust to withhold taxes pursuant to the terms of the Trust Securities or as set forth in this Trust

Agreement or otherwise require the Property Trustee or the Trust to pay any amounts on account of such withholdings.

(g) An exchange of Trust Securities for Debentures pursuant to this Section 4.4 shall be made to Holders of Trust Securities as they appear on the Securities Register for Trust Securities on the relevant record date, which shall be the date which is the fifteenth day (whether or not a Business Day) preceding the exchange date.

SECTION 4.5. Subordination of Common Securities. Payment of

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Distributions (including Additional Amounts, if applicable) on, and the Redemption Price of, the Trust Securities, as applicable, shall be made pro rata

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based on the Liquidation Amount of the Trust Securities; provided, however, that

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if on any Distribution Date or Redemption Date an Event of Default shall have occurred and be continuing, no payment of any Distribution (including Additional Amounts, if applicable) on, or the Redemption Price of, any Common Security, and no other payment on account of the redemption, liquidation or other acquisition of Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions (including Additional Amounts, if applicable) on all Outstanding Preferred Securities for all Distribution periods terminating on or prior thereto, or in the case of payment of the Redemption Price the full amount of such Redemption Price on all Outstanding Preferred Securities to be redeemed, shall have been made or provided for, and all funds immediately available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions (including Additional Amounts, if applicable) on, or the Redemption Price of, Preferred Securities then due and payable.

SECTION 4.6. Payment Procedures. Payments in respect of the

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Preferred Securities shall be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or, if the Preferred Securities are held by a Clearing Agency, such Distributions shall be made to the Clearing Agency in immediately available funds, in accordance with the Certificate Depositary Agreement on the applicable Distribution Dates. Payments in respect of the Common Securities shall be made in such manner as shall be mutually agreed between the Property Trustee and the Holder of the Common Securities.

SECTION 4.7. Tax Returns and Reports. The Administrative Trustees

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shall prepare (or cause to be prepared), at the Depositor's expense, and file all United



States Federal, State and local tax and information returns and reports required to be filed by or in respect of the Trust. In this regard, the Administrative Trustees shall (a) prepare and file (or cause to be prepared or filed) Form 1041 or the appropriate Internal Revenue Service form required to be filed in respect of the Trust in each taxable year of the Trust and (b) prepare and furnish (or cause to be prepared and furnished) to each Securityholder a Form 1099 or the appropriate Internal Revenue Service form required to be furnished to such Securityholder or the information required to be provided on such form. The Administrative Trustees shall provide the Depositor with a copy of all such returns, reports and schedules promptly after such filing or furnishing. The Trustees shall comply with United States Federal withholding and backup withholding tax laws and information reporting requirements with respect to any payments to Securityholders under the Trust Securities.

SECTION 4.8. Payment of Taxes, Duties, Etc., of the Trust. Upon -----  
receipt under the Debentures of Additional Sums, the Property Trustee, upon receipt of written notice from the Depositor or the Administrative Trustees, shall promptly pay from such Additional Sums any taxes, duties or governmental charges of whatsoever nature (other than withholding taxes) imposed on the Trust by the United States or any other taxing authority.

SECTION 4.9. Payments under Indenture. Any amount payable hereunder -----  
to any Holder of Preferred Securities shall be reduced by the amount of any corresponding payment such Holder (or any Owner with respect thereto) has directly received pursuant to Section [5.8] of the Indenture in accordance with the terms of Section 6.8 hereof.

ARTICLE 5  
TRUST SECURITIES CERTIFICATES

SECTION 5.1. Initial Ownership. Upon the creation of the Trust and -----  
until the issuance of the Trust Securities, and at any time during which no Trust Securities are Outstanding, the Depositor shall be the sole beneficial owner of the Trust.

SECTION 5.2. The Trust Securities Certificates. The Preferred -----  
Securities Certificates shall be issued in minimum denominations of \$50 Liquidation Amount and integral multiples of \$50 in excess thereof, and the Common Securities Certificates shall be issued in denominations of

\$50 Liquidation Amount and integral multiples thereof. The consideration received by the Trust for the issuance of the Trust Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust. The Trust Securities Certificates shall be executed on behalf of the Trust by manual or facsimile signature of at least one Administrative Trustee and authenticated by the Property Trustee. Preferred Securities initially will be represented by one or more certificates in registered global form (the "Global Certificates"). Trust Securities Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefit of this Trust Agreement, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the delivery of such Trust Securities Certificates or did not hold such offices at the date of delivery of such Trust Securities Certificates. A transferee of a Trust Securities Certificate shall become a Securityholder, and shall be entitled to the rights and subject to the obligations of a Securityholder hereunder, upon due registration of such Trust Securities Certificate in such transferee's name pursuant to Section 5.4.

SECTION 5.3. Delivery of Trust Securities Certificates. On the

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Closing Date, the Administrative Trustees shall cause Trust Securities Certificates, in an aggregate Liquidation Amount as provided in Sections 2.4 and 2.5, to be executed on behalf of the Trust and delivered to or upon the written order of the Depositor, signed by its Chairman of the Board, any Vice Chairman, its President, any Senior Vice President or any Vice President, Treasurer or Assistant Treasurer or Controller without further corporate action by the Depositor, in authorized denominations.

A Trust Security Certificate shall not be valid until authenticated by the manual signature of an authorized signatory of the Property Trustee. The signature shall be conclusive evidence that the Trust Security Certificate has been authenticated under this Trust Agreement. Upon a written order of the Trust signed by one Administrative Trustee, the Property Trustee shall authenticate the Trust Security Certificates for original issue.

The Property Trustee may appoint an authenticating agent acceptable to the Administrative Trustees to authenticate Trust Security Certificates. An authenticating agent may authenticate Trust Security Certificates whenever the Property Trustee may do so. Each reference in this Trust Agreement to authentication by the Property Trustee

includes authentication by such agent. An authenticating agent has the same rights as the Property Trustee to deal with the Depositor or an Affiliate with respect to the authentication of Trust Securities.

SECTION 5.4. Registration of Transfer and Exchange of Preferred

Securities; Restrictions on Transfer. The Securities Registrar shall keep or

cause to be kept, at the office or agency maintained pursuant to Section 5.8, a Securities Register in which, subject to such reasonable regulations as it may prescribe, the Securities Registrar shall provide for the registration of Preferred Securities Certificates and Common Securities Certificates (subject to Section 5.10 in the case of the Common Securities Certificates) and registration of transfers and exchanges of Preferred Securities Certificates as herein provided. The Property Trustee shall be the initial Securities Registrar.

Upon surrender for registration of transfer of any Preferred Security at an office or agency of the Securities Registrar designated pursuant to Section 5.8 for such purpose, an Administrative Trustee shall execute on behalf of the Trust by manual or facsimile signature, and the Property Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Preferred Securities of any authorized denominations and of a like aggregate Liquidation Amount.

At the option of the Holder, and subject to the other provisions of this Section 5.4, Preferred Securities may be exchanged for other Preferred Securities of any authorized denomination and of a like Liquidation Amount, upon surrender of the Preferred Securities to be exchanged at any such office or agency. Whenever any Preferred Securities are so surrendered for exchange, an Administrative Trustee shall execute on behalf of the Trust by manual or facsimile signature, and the Property Trustee shall authenticate and deliver, the Preferred Securities which the Holder making the exchange is entitled to receive.

All Preferred Securities issued upon any registration of transfer or exchange of Preferred Securities shall be entitled to the same benefits under this Trust Agreement as the Preferred Securities surrendered upon such registration of transfer or exchange.

Every Preferred Security presented or surrendered for registration of transfer or for exchange shall (if so requested by the Depositor or the Securities Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Depositor and the

Securities Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Preferred Securities Certificates, but the Securities Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Preferred Securities Certificates.

SECTION 5.5. Mutilated, Destroyed, Lost or Stolen Trust Securities

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Certificates. If (a) any mutilated Trust Securities Certificate shall be  
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surrendered to the Securities Registrar, or if the Securities Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Trust Securities Certificate and (b) there shall be delivered to the Securities Registrar and the Administrative Trustees such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Trust Securities Certificate shall have been acquired by a bona fide purchaser, the Administrative Trustees, or any one of them, on behalf of the Trust shall execute and make available for authentication and delivery, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Trust Securities Certificate, a new Trust Securities Certificate of like denomination. In connection with the issuance of any new Trust Securities Certificate under this Section, the Securities Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicative Trust Securities Certificate issued pursuant to this Section shall constitute conclusive evidence of an undivided beneficial interest in the assets of the Trust, as if originally issued, whether or not the lost, stolen or destroyed Trust Securities Certificate shall be found at any time.

SECTION 5.6. Persons Deemed Securityholders. Each Trustee and the

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Securities Registrar shall treat the Person in whose name any Trust Securities Certificate shall be registered in the Securities Register as the owner of such Trust Securities Certificate for the purpose of receiving Distributions and for all other purposes whatsoever, and none of the Trustees nor the Securities Registrar shall be bound by any notice to the contrary.

SECTION 5.7. Access to List of Securityholders' Names and Addresses.

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The Administrative Trustees or the Depositor shall furnish or cause to be furnished (unless the Property Trustee is acting as Securities Registrar with

respect to the Trust Securities under the Trust Agreement) a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Securityholders as of the most recent record date (a) to the Property Trustee, quarterly at least five Business Days before each Distribution Date, and (b) to the Property Trustee, promptly after receipt by the Depositor of a written request therefor from the Property Trustee in order to enable the Property Trustee to discharge its obligations under this Trust Agreement, in each case to the extent such information is in the possession or control of the Administrative Trustees or the Depositor and is not identical to a previously supplied list or has not otherwise been received by the Property Trustee in its capacity as Securities Registrar. The rights of Securityholders to communicate with other Securityholders with respect to their rights under this Trust Agreement or under the Trust Securities, and the corresponding rights of the Trustee shall be as provided in the Trust Indenture Act, except to the extent Section 3819 of the Delaware Business Trust Act would require greater access to such information, in which case the latter shall apply. Each Holder, by receiving and holding a Trust Securities Certificate, and each Owner shall be deemed to have agreed not to hold the Depositor, the Property Trustee or the Administrative Trustees accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 5.8. Maintenance of Office or Agency. The Securities  
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Registrar shall maintain in The City of New York an office or offices or agency or agencies where Preferred Securities Certificates may be surrendered for registration of transfer, exchange or conversion and where notices and demands to or upon the Trustees in respect of the Trust Securities Certificates may be served. The Securities Registrar initially designates [ \_\_\_\_\_ ], New York, New York [ \_\_\_\_\_ ], Attention: [ \_\_\_\_\_ ], as its principal corporate trust office for such purposes. The Securities Registrar shall give prompt written notice to the Depositor and to the Securityholders of any change in the location of the Securities Register or any such office or agency.

SECTION 5.9. Appointment of Paying Agent. In the event that the  
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Preferred Securities are not in book-entry form only, the Trust shall maintain in the Borough of Manhattan, City of New York, an office or agency (the "Paying Agent") where the Preferred Securities may be presented for payment. The Paying Agent shall make Distributions to Securityholders from the Payment Account and shall report the amounts of such Distributions to the

Property Trustee and the Administrative Trustees. Any Paying Agent shall have the revocable power to withdraw funds from the Payment Account for the purpose of making the Distributions referred to above. The Administrative Trustees may revoke such power and remove the Paying Agent if such Trustees determine in their sole discretion that the Paying Agent shall have failed to perform its obligations under this Trust Agreement in any material respect. The Paying Agent shall initially be the Property Trustee, and any co-paying agent chosen by the Property Trustee and acceptable to the Administrative Trustees and the Depositor. Any Person acting as Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Property Trustee and the Depositor; provided, however, that no such resignation of the Paying Agent shall

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be effective until a successor Paying Agent has been appointed and has accepted such appointment by instrument executed by such successor Paying Agent and delivered to the Trust, the Depositor and the resigning Paying Agent. In the event that the Property Trustee shall no longer be the Paying Agent or a successor Paying Agent shall resign or its authority to act be revoked, the Administrative Trustees shall appoint a successor that is acceptable to the Property Trustee and the Depositor to act as Paying Agent (which shall be a bank or trust company). Each successor Paying Agent or any additional Paying Agent shall agree with the Trustees that, as Paying Agent, such successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Securityholders in trust for the benefit of the Securityholders entitled thereto until such sums shall be paid to each Securityholder. The Paying Agent shall return all unclaimed funds to the Property Trustee and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to the Property Trustee. The provisions of Sections 8.1, 8.3 and 8.6 shall apply to the Property Trustee also in its role as Paying Agent, for so long as the Property Trustee shall act as Paying Agent and, to the extent applicable, to any other paying agent appointed hereunder. Any reference in this Agreement to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

SECTION 5.10. Ownership of Common Securities by Depositor. Upon the

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issuance of Common Securities as provided for in Section 2.5, the Depositor shall acquire beneficial and record ownership of the Common Securities. The Depositor has covenanted in the Indenture to maintain directly or indirectly 100% ownership of the Common Securities, provided that any permitted successor of the Company under the Indenture may succeed to the Company's ownership of the Common Securities. To the fullest extent

permitted by law, any attempted transfer of the Common Securities in violation of that covenant shall be void. The Administrative Trustees shall cause each Common Securities Certificate to contain a legend stating, "THIS CERTIFICATE IS NOT TRANSFERABLE EXCEPT TO AN ENTITY WHOLLY OWNED BY ALUMINUM COMPANY OF AMERICA OR TO CERTAIN SUCCESSORS OF ALUMINUM COMPANY OF AMERICA"

SECTION 5.11. Global Securities; Non-Global Securities; Common

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Securities Certificate. (a) Each Global Certificate authenticated under this  
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Trust Agreement shall be registered in the name of the Clearing Agency designated by the Depositor for such Global Certificate or a nominee thereof and delivered to such Clearing Agency or a nominee thereof or custodian therefor, and each such Global Certificate shall constitute a Preferred Security for all purposes of this Trust Agreement.

(b) If a Global Certificate is to be exchanged for Definitive Preferred Securities Certificates or canceled in whole, it shall be surrendered by or on behalf of the Clearing Agency, its nominee or custodian to the Property Trustee, as Securities Registrar, for exchange or cancellation as provided in this Article 5. If any Global Certificate is to be exchanged for Definitive Preferred Securities Certificates or cancelled in part, or if another Preferred Security is to be exchanged in whole or in part for a beneficial interest in any Global Certificate, in each case, as provided in Section 5.4, then either (i) such Global Certificate shall be so surrendered for exchange or cancellation as provided in this Article 5 or (ii) the Liquidation Amount thereof (or number of Preferred Securities represented thereby) shall be reduced or increased by an amount equal to the portion, thereof to be so exchanged or cancelled, or equal to the Liquidation Amount of (or number of securities represented by) such Definitive Preferred Security Certificates to be so exchanged for a beneficial interest therein, as the case may be, by means of an appropriate adjustment made on the records of the Property Trustee, as Securities Registrar, whereupon the Property Trustee, in accordance with the Applicable Procedures, shall instruct the Clearing Agency or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Certificate, an Administrative Trustee shall execute on behalf of the Trust by manual or facsimile signature, and the Property Trustee shall, subject to Section 5.4 and as otherwise provided in this Article 5, authenticate and deliver any Preferred Securities issuable in exchange for such Global Certificate (or any portion thereof) to or upon the written order of, and registered in

such names as may be directed by, the Clearing Agency or its authorized representative. Upon the request of the Property Trustee in connection with the occurrence of any of the events specified in this paragraph, the Depositor shall promptly make available to the Property Trustee a reasonable supply of Preferred Securities that are not in the form of Global Certificates. The Property Trustee shall be entitled to conclusively rely upon any order, direction or request of the Clearing Agency or its authorized representative which is given or made pursuant to this Article 5 if such order, direction or request is given or made in accordance with the Applicable Procedures.

(c) Every Preferred Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Certificate or any portion thereof, whether pursuant to this Article 5 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Certificate, unless such Preferred Security is registered in the name of a Person other than the Clearing Agency for such Global Certificate or a nominee thereof.

(d) The Clearing Agency or its nominee, as registered owner of a Global Certificate, shall be the Holder of such Global Certificate for all purposes under this Trust Agreement and the Preferred Securities, and owners of beneficial interests in a Global Certificate shall hold such interests pursuant to the Applicable Procedures. Accordingly, any such Owner's beneficial interest in a Global Certificate will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Clearing Agency or its nominee or its participants and such owners of beneficial interests in a Global Certificate will not be considered the owners or Holders of such Global Certificate for any purpose of this Trust Agreement or the Preferred Securities.

(e) A single Common Securities Certificate representing the Common Securities shall initially be issued to the Depositor in the form of a definitive Common Securities Certificate.

SECTION 5.12. Notices to Clearing Agency. To the extent that a

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notice or other communication to the Owners is required under this Trust Agreement, unless and until Definitive Preferred Securities Certificates shall have been issued to Owners pursuant to Section 5.13, the Trustees shall give all such notices and communications specified herein to be given to Owners to the Clearing Agency, and



shall have no obligations to provide notices directly to the Owners.

SECTION 5.13. Definitive Preferred Securities Certificates.  
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Notwithstanding any other provision in this Trust Agreement, no Global Certificate may be exchanged in whole or in part for Preferred Securities registered, and no transfer of a Global Certificate in whole or in part may be registered, in the name of any Person other than the Clearing Agency for such Global Certificate or a nominee thereof unless (i) such Clearing Agency (A) has notified the Trust and the Depositor that it is unwilling or unable to continue as Clearing Agency for such Global Certificate or (B) has ceased to be a clearing agency registered as such under the Securities Exchange Act of 1934, as amended, and in either case the Trust and the Depositor thereupon fail to appoint a successor Clearing Agency, (ii) the Trust and the Depositor, at their option, notify the Property Trustee in writing that it elects to cause the issuance of the Preferred Securities in certificated form or (iii) there shall have occurred and be continuing an Event of Default or any event which after notice or lapse of time or both would be an Event of Default. In all cases, Definitive Preferred Securities Certificates delivered in exchange for any Global Certificate or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Clearing Agency (in accordance with its customary procedures).

SECTION 5.14. Rights of Securityholders. The legal title to the  
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Trust Property is vested exclusively in the Property Trustee (in its capacity as such) in accordance with Section 2.9, and the Securityholders shall not have any right or title therein other than the undivided beneficial interest in the assets of the Trust conferred by their Trust Securities and they shall have no right to call for any partition or division of property, profits or rights of the Trust except as described below. The Trust Securities shall be personal property giving only the rights specifically set forth therein and in this Trust Agreement. The Trust Securities shall have no preemptive or similar rights and, when issued and delivered to Securityholders against payment of the purchase price therefor, will be fully paid and nonassessable undivided beneficial interests in the assets of the Trust. The Holders of the Trust Securities, in their capacities as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware, provided, however,

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the Holders of Trust Securities may be obligated, pursuant to the terms of this Trust Agreement, to (i) provide

indemnity and/or security in connection with and pay taxes or governmental charges arising from transfers of Trust Securities and (ii) provide security and indemnity in connection with the requests of or directions to the Property Trustee to exercise its rights and powers under the Trust Agreement.

ARTICLE 6  
ACT OF SECURITYHOLDERS; MEETINGS; VOTING

SECTION 6.1. Limitations on Voting Rights. (a) Except as provided in

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this Section, in Section 8.2 and 10.2 and in the Indenture and as otherwise required by law, no Holder of Preferred Securities shall have any right to vote or in any manner otherwise control the administration, operation and management of the Trust or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Trust Securities Certificates, be construed so as to constitute the Securityholders from time to time as partners or members of an association.

(b) Subject to Section 8.2 hereof, if an Event of Default with respect to the Preferred Securities has occurred and been subsequently cured, waived or otherwise eliminated, the provisions of Section 6.1(b)(ii) hereof shall apply. During (x) the period commencing on the date of the occurrence of an Event of Default with respect to the Preferred Securities and ending on the date when such Event of Default is cured, waived or otherwise eliminated, or (y) any period not described in either the preceding sentence or the preceding clause (x), the provisions of Section 6.1(b)(i) shall apply.

(i) The Holders of a majority in aggregate Liquidation Amount of the Preferred Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee or to exercise any trust or power conferred upon the Property Trustee under this Trust Agreement, including the right to direct the Property Trustee to exercise the remedies available to it as a holder of the Debentures but excluding the right to direct the Property Trustee to consent to an amendment, modification or termination of the Indenture (which shall be as provided below). So long as any Debentures are held by the Property Trustee, the Trustees shall not (A) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power

conferred on the Debenture Trustee with respect to such Debentures, (B) waive any past default which is waivable under Section [5.13] of the Indenture, (C) exercise any right to rescind or annul a declaration that the principal of all the Debentures shall be due and payable or (D) consent to any amendment, modification or termination of the Indenture or the Debentures, where such consent shall be required, without, in each case, obtaining the prior approval of the Holders of a majority in aggregate Liquidation Amount of all Outstanding Preferred Securities (except in the case of clause (D), which consent, in the event that no Event of Default shall occur and be continuing, shall be of the Holders of a majority in aggregate Liquidation Amount of all Trust Securities, voting together as a single class); provided, however, that where a consent under the Indenture

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would require the consent of each holder of Debentures affected thereby, no such consent shall be given by the Property Trustee without the prior written consent of each Holder of Preferred Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Holders of the Preferred Securities, except by a subsequent vote of the Holders of the Preferred Securities. The Property Trustee shall notify all Holders of record of the Preferred Securities of any notice of default received from the Debenture Trustee with respect to the Debentures. In addition to obtaining the foregoing approvals of the Holders of the Preferred Securities, prior to taking any of the foregoing actions, the Trustees shall, at the expense of the Depositor, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation or partnership for United States Federal income tax purposes on account of such action.

(ii) Subject to Section 8.2 of this Trust Agreement and only after the Event of Default with respect to the Preferred Securities has been cured, waived, or otherwise eliminated, the Holders of a majority in aggregate Liquidation Amount of the Common Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee or to exercise any trust or power conferred upon the Property Trustee under this Trust Agreement, including the right to direct the Property Trustee to exercise the remedies available to it as a holder of the Debentures but excluding the right to direct the Property Trustee to

consent to an amendment, modification or termination of the Indenture (which shall be as provided below). So long as any Debentures are held by the Property Trustee, the Trustees shall not (A) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to such Debentures, (B) waive any past default which is waivable under Section 5.13 of the Indenture, (C) exercise any right to rescind or annul a declaration that the principal of all the Debentures shall be due and payable or (D) consent to any amendment, modification or termination of the Indenture or the Debentures, where such consent shall be required, without, in each case, obtaining the prior approval of the Holders of a majority in aggregate Liquidation Amount of all Common Securities (except in the case of clause (D), which consent, in the event that no Event of Default shall occur and be continuing, shall be of the Holders of a majority in aggregate Liquidation Amount of all Trust Securities, voting together as a single class); provided, however, that

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where a consent under the Indenture would require the consent of each holder of Debentures affected thereby, no such consent shall be given by the Property Trustee without the prior written consent of each Holder of Common Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Holders of the Common Securities, except by a subsequent vote of the Holders of the Common Securities. The Property Trustee shall notify all Holders of record of the Common Securities of any notice of default received from the Debenture Trustee with respect to the Debentures. In addition to obtaining the foregoing approvals of the Holders of the Common Securities, prior to taking any of the foregoing actions, the Trustees shall, at the expense of the Depositor, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation or partnership for United States Federal income tax purposes on account of such action.

(iii) The provisions of this Section 6.1(b) and Section 6.1(a) of this Trust Agreement shall be in lieu of (S) 316(a)(1)(A) of the Trust Indenture Act, and such (S) 316(a)(1)(A) is hereby expressly excluded from this Trust Agreement and the Preferred Securities, as permitted by the Trust Indenture Act.

(c) If any proposed amendment to this Trust Agreement provides for, or the Trustees otherwise propose to effect, the dissolution, winding-up or termination of the Trust, other than pursuant to the terms of this Trust Agreement, then the Holders of Outstanding Preferred Securities as a class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of the Holders of a majority in aggregate Liquidation Amount of the Outstanding Preferred Securities.

SECTION 6.2. Notice of Meetings. Notice of all meetings of the  
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Holders of the Preferred Securities, stating the time, place and purpose of the meeting, shall be given by the Property Trustee pursuant to Section 10.8 to each Preferred Securityholder of record, at its registered address, at least 15 days and not more than 90 days before the meeting. At any such meeting, any business properly before the meeting may be so considered whether or not stated in the notice of the meeting. Any adjourned meeting may be held as adjourned without further notice.

SECTION 6.3. Meetings of Preferred Securityholders. No annual  
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meeting of Securityholders is required to be held. The Administrative Trustees, however, shall call a meeting of Securityholders to vote on any matter upon the written request of the Preferred Securityholders of record of 25% of the Preferred Securities (based upon their Liquidation Amount), and the Administrative Trustees or the Property Trustee may, at any time in their discretion, call a meeting of the Holders of Preferred Securities to vote on any matters as to which such Holders are entitled to vote.

Holders of record of a majority of the Preferred Securities (based upon their Liquidation Amount), present in person or by proxy, shall constitute a quorum at any meeting of Securityholders.

If a quorum is present at a meeting, an affirmative vote by the Holders of record of Preferred Securities present, in person or by proxy, holding a majority of the Preferred Securities (based upon their Liquidation Amount) held by Holders of record of Preferred Securities present, either in person or by proxy, at such meeting shall constitute the action of the Securityholders, unless this Trust Agreement requires a greater number of affirmative votes.

SECTION 6.4. Voting Rights. Securityholders shall be entitled to one  
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vote for each \$50 of Liquidation

Amount represented by their Trust Securities in respect of any matter as to which such Securityholders are entitled to vote. Notwithstanding that Holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned at such time by the Depositor, the Trustees or any affiliate of any Trustee shall, for purposes of such vote or consent, be treated as if such Preferred Securities were not outstanding.

SECTION 6.5. Proxies, Etc. At any meeting of Securityholders, any  
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Securityholders entitled to vote thereat may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Administrative Trustees, or with such other officer or agent of the Trust as the Administrative Trustees may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of the Property Trustee, proxies may be solicited in the name of the Property Trustee or one or more officers of the Property Trustee. Only Securityholders of record shall be entitled to vote. When Trust Securities are held jointly by several Persons, any one of them may vote at any meeting in person or represented by proxy in respect of such Trust Securities, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote shall not be received in respect of such Trust Securities. A proxy purporting to be executed by or on behalf of a Securityholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger. No proxy shall be valid more than three years after its date of execution.

SECTION 6.6. Securityholder Action by Written Consent. Any action  
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which may be taken by Securityholders at a meeting may be taken without a meeting if Securityholders holding a majority of all Outstanding Trust Securities (based upon their Liquidation Amount) entitled to vote in respect of such action (or such larger proportion thereof as shall be required by any express provision of this Trust Agreement) shall consent to the action in writing.

SECTION 6.7. Record Date for Voting and Other Purposes. For the  
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purposes of determining the Securityholders who are entitled to notice of and to vote at any meeting or by written consent, or to participate in any Distribution on the Trust Securities in respect of which a record date is not otherwise provided for in this Trust

Agreement, or for the purpose of any other action, the Property Trustee may from time to time fix a date, not more than 90 days prior to the date of any meeting of Securityholders or the payment of Distributions or other action, as the case may be, as a record date for the determination of the identity of the Securityholders of record for such purposes.

SECTION 6.8. Acts of Securityholders. Any request, demand,

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authorization, direction, notice, consent, waiver or other action provided or permitted by this Trust Agreement to be given, made or taken by Securityholders or Owners may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders or Owners in person or by an agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to an Administrative Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Securityholders or Owners signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Trust Agreement and (subject to Section 8.1) conclusive in favor of the Trustees, if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which any Trustee receiving the same deems sufficient.

The ownership of Preferred Securities shall be proved by the Securities Register.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Securityholder of any Trust Security shall bind every future Securityholder of the same Trust Security and the Securityholder of every Trust Security issued upon the registration of transfer

thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustees or the Trust in reliance thereon, whether or not notation of such action is made upon such Trust Security.

Without limiting the foregoing, a Securityholder entitled hereunder to take any action hereunder with regard to any particular Trust Security may do so with regard to all or any part of the Liquidation Amount of such Trust Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such Liquidation Amount.

If any dispute shall arise between the Securityholders and the Administrative Trustees or among such Securityholders or Administrative Trustees with respect to the authenticity, validity or binding nature of any request, demand, authorization, direction, consent, waiver or other Act of such Securityholder or Trustee under this Article 6, then the determination of such matter by the Property Trustee shall be conclusive with respect to such matter.

Upon the occurrence and continuation of an Event of Default, the Holders of Preferred Securities shall rely on the enforcement by the Property Trustee of its rights as holder of the Debentures against the Depositor. If the Property Trustee fails to enforce its rights as holder of the Debentures after a request therefor by a Holder of Preferred Securities, such holder may proceed to enforce such rights directly against the Depositor. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing and such event is attributable to the failure of the Depositor to pay interest or principal on the Debentures on the date such interest or principal is otherwise payable (or in the case of redemption, on the Redemption Date), then a Holder of Preferred Securities shall have the right to institute a proceeding directly against the Depositor, for enforcement of payment to such holder of the principal amount of or interest on Debentures having a principal amount equal to the aggregate Liquidation Amount of the Preferred Securities of such Holder after the respective due date specified in the Debentures (a "Direct Action"). In connection with any such Direct Action, the rights of the Depositor will be subrogated to the rights of any Holder of the Preferred Securities to the extent of any payment made by the Depositor to such Holder of Preferred Securities as a result of such Direct Action.



SECTION 6.9. Inspection of Records. Upon reasonable notice to the

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Administrative Trustees and the Property Trustee, the records of the Trust shall be open to inspection by Securityholders during normal business hours for any purpose reasonably related to such Securityholder's interest as a Securityholder.

ARTICLE 7  
REPRESENTATIONS AND WARRANTIES

SECTION 7.1. Representations and Warranties of the Property Trustee

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and the Delaware Trustee.  
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(a) The Property Trustee hereby represents and warrants for the benefit of the Depositor and the Securityholders that:

(i) the Property Trustee is a banking corporation duly organized, validly existing and in good standing under the laws of the State of New York;

(ii) the Property Trustee has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Trust Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Agreement;

(iii) this Trust Agreement has been duly authorized, executed and delivered by the Property Trustee and constitutes the valid and legally binding agreement of the Property Trustee enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and

(iv) the execution, delivery and performance by the Property Trustee of this Trust Agreement have been duly authorized by all necessary corporate or other action on the part of the Property Trustee and do not require any approval of stockholders of the Property Trustee and such execution, delivery and performance will not (a) violate the Property Trustee's charter or by-laws or (b) violate any law, governmental rule or regulation of the United States or the State of

New York, as the case may be, governing the banking, corporate, or trust powers of the Property Trustee, or any order, judgment or decree applicable to the Property Trustee.

(b) The Delaware Trustee hereby represents and warrants for the benefit of the Depositor and the Securityholders that:

(i) the Delaware Trustee is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(ii) the Delaware Trustee has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Trust Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Agreement;

(iii) this Trust Agreement has been duly authorized, executed and delivered by the Delaware Trustee and constitutes the valid and legally binding agreement of the Delaware Trustee enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and

(iv) the execution, delivery and performance by the Delaware Trustee of this Trust Agreement have been duly authorized by all necessary corporate or other action on the part of the Delaware Trustee and do not require any approval of stockholders of the Delaware Trustee or the Delaware Trustee and such execution, delivery and performance will not (a) violate the Delaware Trustee's charter or by-laws or (b) violate any law, governmental rule or regulation of the United States or the State of Delaware, as the case may be, governing the banking, corporate, or trust powers of the Delaware Trustee, or any order, judgment or decree applicable to the Delaware Trustee.

SECTION 7.2. Representations and Warranties of Depositor. The

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Depositor hereby represents and warrants for the benefit of the Property Trustee, the Delaware Trustee and the Securityholders that:

(a) the Trust Securities Certificates issued on the Closing Date on behalf of the Trust have been duly authorized and will have been duly and validly executed, issued and delivered by the Trustees pursuant to the terms and provisions of, and in accordance with the requirements of, this Trust Agreement and the Securityholders will be, as of such date, entitled to the benefits of this Trust Agreement; and

(b) there are no taxes, fees or other governmental charges payable by the Trust (or the Trustees on behalf of the Trust) under the laws of the State of Delaware or any political subdivision thereof in connection with the execution, delivery and performance by the Property Trustee or the Delaware Trustee, as the case may be, of this Trust Agreement.

ARTICLE 8  
THE TRUSTEES

SECTION 8.1. Certain Duties and Responsibilities. (a) The duties and

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responsibilities of the Trustees shall be as provided by this Trust Agreement and, in the case of the Property Trustee, by the Trust Indenture Act. The Property Trustee, before the occurrence of any Event of Default and after the curing or waiving of all Events of Default that may have occurred, shall undertake to perform only such duties and obligations as are specifically set forth in this Trust Agreement and the Trust Indenture Act and no implied covenants shall be read into this Trust Agreement against the Property Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 8.2) of which a Responsible Officer of the Property Trustee has actual knowledge, the Property Trustee shall exercise such rights and powers vested in it by this Trust Agreement and the Trust Indenture Act, and use the same degree of care and skill in its exercise, as a prudent individual would exercise or use under the circumstances in the conduct of his or her own affairs. Notwithstanding the foregoing, no provision of this Trust Agreement shall require the Trustees to expend or risk their own funds or otherwise incur any financial liability in the performance of any of their duties hereunder, or in the exercise of any of their rights or powers, if they shall have reasonable grounds for believing that repayment of such

funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustees shall be subject to the provisions of this Section. Nothing in this Trust Agreement shall be construed to release the Administrative Trustees from liability for their own grossly negligent action, their own grossly negligent failure to act, or their own willful misconduct. To the extent that, at law or in equity, an Administrative Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to the Securityholders, such Administrative Trustee shall not be liable to the Trust or to any Securityholder for such Administrative Trustee's good faith reliance on the provisions of this Trust Agreement. The provisions of this Trust Agreement, to the extent that they restrict the duties and liabilities of the Administrative Trustees otherwise existing at law or in equity, are agreed by the Depositor and the Securityholders to replace such other duties and liabilities of the Administrative Trustees.

(b) All payments made by the Property Trustee or a Paying Agent in respect of the Trust Securities shall be made only from the revenue and proceeds from the Trust Property and only to the extent that there shall be sufficient revenue or proceeds from the Trust Property to enable the Property Trustee or a Paying Agent to make payments in accordance with the terms hereof. Each Securityholder, by its acceptance of a Trust Security, agrees that it will look solely to the revenue and proceeds from the Trust Property to the extent legally available for distribution to it as herein provided and that the Trustees are not personally liable to it for any amount distributable in respect of any Trust Security or for any other liability in respect of any Trust Security. This Section 8.1(b) does not limit the liability of the Trustees expressly set forth elsewhere in this Trust Agreement or, in the case of the Property Trustee, in the Trust Indenture Act.

(c) No provision of this Trust Agreement shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) the Property Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;

(ii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate Liquidation Amount of the Trust Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Trust Agreement;

(iii) the Property Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Debentures and the Payment Account shall be to deal with such property as fiduciary assets, subject to the protections and limitations on liability afforded to the Property Trustee under this Trust Agreement and the Trust Indenture Act;

(iv) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree, in writing, with the Depositor and money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Payment Account maintained by the Property Trustee pursuant to Section 3.1 and except to the extent otherwise required by law;

(v) the Property Trustee shall not be responsible for monitoring the compliance by the Administrative Trustees or the Depositor with their respective duties under this Trust Agreement, nor shall the Property Trustee be liable for the default or misconduct of the Administrative Trustees or the Depositor;

(vi) the Property Trustee shall have no duty or liability with respect to the value, genuineness, existence or sufficiency of the Debentures or the payment of any taxes or assessments thereon or in connection therewith;

(vii) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Trust Agreement and in the Preferred Securities and the Common Securities and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement and in the Preferred Securities and the Common Securities, and no implied covenants or obligations shall be read into this Trust Agreement against the Property Trustee; and

(viii) no provision of this Trust Agreement shall require the Property Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Trust Agreement or indemnity reasonably satisfactory to the Property Trustee against such risk or liability is not reasonably assured to it.

SECTION 8.2. Notice of Defaults. (a) Within ten days after the

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occurrence of any Event of Default actually known to a Responsible Officer of the Property Trustee, the Property Trustee shall transmit, in the manner and to the extent provided in Section 10.8, notice of such Event of Default to the Holders of Preferred Securities, the Administrative Trustees and the Depositor, unless such Event of Default shall have been cured or waived, provided that,

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except for a default in the payment of principal of (or premium, if any) or interest on any of the Debentures, the Property Trustee shall be fully protected in withholding such notice if and so long as the Board of Directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Property Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Preferred Securities.

(b) Within ten days after the receipt of notice of the Depositor's exercise of its right to extend the interest payment period for the Debentures pursuant to the Indenture, the Property Trustee shall transmit, in the manner and to the extent provided in Section 10.8, notice of such exercise to the Securityholders, unless such exercise shall have been revoked.

(c) The Holders of a majority in Liquidation Amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default in respect of the Preferred Securities and its consequences, provided that, if the underlying Debenture

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Event of Default:

(i) is not waivable under the Indenture, the Event of Default under this Trust Agreement shall also not be waivable; or

(ii) requires the consent or vote of greater than a majority in principal amount of the holders of the Debentures, including the consent or vote of all

such holders, (a "Super Majority") to be waived under the Indenture, the Event of Default under this Trust Agreement may only be waived by the vote of the Holders of the same proportion in Liquidation Amount of the Preferred Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding.

The provisions of Section 6.1(b) and this Section 8.2(c) shall be in lieu of (S) 316(a)(1)(B) of the Trust Indenture Act and such (S) 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Trust Agreement and the Preferred Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for every purpose of this Trust Agreement, but no such waiver shall extend to any subsequent or other default or an Event of Default with respect to the Preferred Securities or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of an Event of Default with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Event of Default with respect to the Common Securities for all purposes of this Trust Agreement without any further act, vote, or consent of the Holders of the Common Securities.

(d) The Holders of a majority in Liquidation Amount of the Common Securities may, by vote, on behalf of the Holders of all of the Common Securities, waive any past Event of Default with respect to the Common Securities and its consequences, provided that, if the underlying Debenture

Event of Default:

(i) is not waivable under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Event of Default under the Trust Agreement as provided below in this Section 8.2(d), the Event of Default under this Trust Agreement shall also not be waivable; or

(ii) requires the consent or vote of a Super Majority to be waived, except where the Holders of the Common Securities are deemed to have waived such Event of Default under this Trust Agreement as provided below in this Section 8.2(d), the Event of Default under this Trust Agreement may only be waived by the vote of the Holders of the same proportion in Liquidation Amount of the Common Securities that the relevant Super Majority

represents of the aggregate principal amount of the Debentures outstanding;

provided further, that each Holder of Common Securities will be deemed to have waived any such Event of Default and all Events of Default with respect to the Common Securities and its consequences until all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated, and until such Events of Default have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities. The provisions of Section 6.1(b) and this Section 8.2(d) shall be in lieu of (S) 316(a)(1)(B) of the Trust Indenture Act and such (S) 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Trust Agreement and the Preferred Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 8.2(d), upon such waiver, any such default shall cease to exist and any Event of Default with respect to the Common Securities arising therefrom shall be deemed to have been cured for every purpose of this Trust Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Common Securities or impair any right consequent thereon.

(e) A waiver of a Debenture Event of Default by the Property Trustee at the direction of the Holders of the Preferred Securities, constitutes a waiver of the corresponding Event of Default under this Trust Agreement. The foregoing provisions of this Section 8.2(e) shall be in lieu of (S) 316(a)(1)(B) of the Trust Indenture Act and such (S) 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Trust Agreement and the Preferred Securities, as permitted by the Trust Indenture Act.

SECTION 8.3. Certain Rights of Property Trustee. Subject to the  
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provisions of Section 8.1:

(a) the Property Trustee may conclusively rely and shall be fully protected in acting or refraining from acting in good faith upon any resolution, Opinion of Counsel, certificate, written representation of a Holder or transferee such as of a certificate presented for transfer, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or



other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) if no Event of Default has occurred and is continuing and, (i) in performing its duties under this Trust Agreement the Property Trustee is required to decide between alternative courses of action or (ii) in construing any of the provisions in this Trust Agreement the Property Trustee finds the same ambiguous or inconsistent with any other provisions contained herein or (iii) the Property Trustee is unsure of the application of any provision of this Trust Agreement, then, except as to any matter as to which the Holders of Preferred Securities are entitled to vote under the terms of this Trust Agreement, the Property Trustee shall deliver a notice to the Depositor requesting written instructions of the Depositor as to the course of action to be taken and the Property Trustee shall take such action, or refrain from taking such action, as the Property Trustee shall be instructed in writing to take, or to refrain from taking, by the Depositor; provided, however, that if the Property Trustee does not receive

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such instructions of the Depositor within ten Business Days after it has delivered such notice, or such reasonably shorter period of time set forth in such notice (which to the extent practicable shall not be less than two Business Days), it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Trust Agreement as it shall deem advisable and in the best interests of the Securityholders, in which event the Property Trustee shall have no liability except for its own bad faith, negligence or willful misconduct;

(c) any direction or act of the Depositor or the Administrative Trustees contemplated by this Trust Agreement shall be sufficiently evidenced by an Officers' Certificate;

(d) whenever in the administration of this Trust Agreement, the Property Trustee shall deem it desirable that a matter be established before undertaking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate and an Opinion of Counsel which, upon receipt of such request, shall be promptly delivered by the Depositor or the Administrative Trustees;

(e) the Property Trustee shall have no duty to accomplish any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any rerecording, refiling or reregistration thereof;

(f) the Property Trustee may consult with counsel at the Depositor's expense (which counsel may be counsel to the Depositor or any of its Affiliates, and may include any of its employees) and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon and in accordance with such advice; and the Property Trustee shall have the right at any time to seek instructions concerning the administration of this Trust Agreement from any court of competent jurisdiction;

(g) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Securityholders pursuant to this Trust Agreement, unless such Securityholders shall have offered to the Property Trustee reasonable security or indemnity satisfactory to it against the costs, expenses (including attorneys' fees and expenses and the expenses of the Property Trustee's agents, custodians or nominees) and liabilities which might be incurred by it in compliance with such request or direction;

(h) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolutions, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other evidence of indebtedness or other paper or document, but the Property Trustee may make such further inquiry or investigation into such facts or custodian or nominee matters as it may see fit;

(i) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents, custodians or nominees, attorneys or an Affiliate, provided that the Property Trustee shall not be responsible for the negligence or recklessness on the part of any agent, attorney, custodian or nominee appointed by it with due care hereunder;

(j) whenever in the administration of this Trust Agreement the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Trust Securities, which instructions may only be given by the Holders of the same proportion in Liquidation Amount of the Trust Securities as would be entitled to direct the Property Trustee under the terms of the Trust Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be fully protected in conclusively relying on or acting in accordance with such instructions;

(k) except as otherwise expressly provided by this Trust Agreement, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Trust Agreement;

(l) the Property Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement; and

(m) in the event that the Property Trustee is also acting as a Paying Agent, Conversion Agent, and/or Securities Registrar hereunder, the rights and protections afforded to the Property Trustee pursuant to this Article 8 shall also be afforded to such Paying Agent, Conversion Agent, and/or Securities Registrar.

No provision of this Trust Agreement shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

#### Section 8.4. Not Responsible for Recitals or Issuance of Securities.

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The recitals contained herein and in the Trust Securities Certificates shall not be taken as the statements of the Trustees, and the Trustees do not assume any responsibility for their correctness. The

Trustees shall not be accountable for the use or application by the Depositor of the proceeds of the Debentures.

SECTION 8.5. May Hold Securities. Except as provided in the  
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definition of the term "Outstanding" in Article 1, any Trustee or any other agent of any Trustee or the Trust, in its individual or any other capacity, may become the owner or pledgee of Trust Securities and, subject to Section 8.8 and 8.12, may otherwise deal with the Trust with the same rights it would have if it were not a Trustee or such other agent.

SECTION 8.6. Compensation; Indemnity; Fees.  
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The Depositor agrees:

(a) to pay the Trustees from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustees upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith;

(c) to the fullest extent permitted by applicable law, to indemnify and hold harmless (i) each Trustee, (ii) any Affiliate of any Trustee, (iii) any officer, director, shareholder, employee, representative or agent of any Trustee, and (iv) any employee or agent of the Trust or its Affiliates (referred to herein as an "Indemnified Person") from and against any loss, damage, liability, tax, penalty, expense or claim of any kind or nature whatsoever incurred by such Indemnified Person by reason of the creation, operation, dissolution or termination of the Trust or in connection with the administration of the Trust or any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Trust Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim

incurred by such Indemnified Person by reason of negligence or willful misconduct with respect to such acts or omissions; and

(d) no Trustee may claim any lien or charge on any Trust Property as a result of any amount due pursuant to this Section 8.6.

SECTION 8.7. Property Trustee Required; Eligibility of Trustees. (a)

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There shall at all times be a Property Trustee hereunder with respect to the Trust Securities. The Property Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Property Trustee with respect to the Trust Securities shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

(b) There shall at all times be one or more Administrative Trustees hereunder with respect to the Trust Securities. Each Administrative Trustee shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more persons authorized to bind that entity.

(c) There shall at all times be a Delaware Trustee with respect to the Trust Securities. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity with its principal place of business in the State of Delaware and that otherwise meets the requirements of applicable Delaware law that shall act through one or more persons authorized to bind such entity.

SECTION 8.8. Conflicting Interests. If the Property Trustee has or

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shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Property Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Trust Agreement.

SECTION 8.9. Resignation and Removal; Appointment of Successor. (a)

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Subject to Sections 8.9(b) and 8.9(c), Trustees (the "Relevant Trustee") may be appointed or removed without cause at any time:

(i) until the issuance of any Trust Securities, by written instrument executed by the Depositor; and

(ii) after the issuance of any Securities, by vote of the Holders of a majority in Liquidation Amount of the Common Securities voting as a class.

(b) The Trustee that acts as Property Trustee shall not be removed in accordance with Section 8.9(a) until a successor possessing the qualifications to act as a Property Trustee under Section 8.7 (a "Successor Property Trustee") has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Depositor and the removed Property Trustee.

(c) The Trustee that acts as Delaware Trustee shall not be removed in accordance with Section 8.9(a) until a successor possessing the qualifications to act as Delaware Trustee under Section 8.7 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Depositor and the removed Delaware Trustee.

(d) A Trustee appointed to office shall hold office until his, her or its successor shall have been appointed or until his, her or its death, removal, resignation, dissolution or liquidation. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Depositor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided, however, that:

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(i) No such resignation of the Trustee that acts as the Property Trustee shall be effective:

(a) until a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Depositor and the resigning Property Trustee; or

(b) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the Holders of the Securities;

(ii) no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Depositor and the resigning Delaware Trustee; and

(iii) no appointment of a successor Property Trustee or Delaware Trustee shall be effective until all fees, charges, and expenses of the retiring Property Trustee or retiring Delaware Trustee, as the case may be, have been paid.

(e) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be, if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with Section 8.9(d).

(f) If no Successor Property Trustee or Successor Delaware Trustee shall have been appointed and accepted appointment as provided in this Section 8.9 within 60 days after delivery pursuant to this Section 8.9 of an instrument of resignation or removal, the Property Trustee or Delaware Trustee resigning or being removed, as applicable, may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper and prescribe, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

(g) No Property Trustee or Delaware Trustee shall be liable for the acts or omissions to act of any Successor Property Trustee or Successor Delaware Trustee, as the case may be.

(h) The Property Trustee shall give notice of each resignation and each removal of a Trustee and each appointment of a successor Trustee to all Securityholders in the manner provided in Section 10.8 and shall give notice to the Depositor. Each notice shall include the name of the successor Relevant Trustee and the address of its Corporate Trust Office if it is the Property Trustee.

(i) Notwithstanding the foregoing or any other provision of this Trust Agreement, in the event any Administrative Trustee or a Delaware Trustee who is a natural person dies or becomes, in the opinion of the Depositor, incompetent or incapacitated, the vacancy created by such death, incompetence or incapacity may be filled by (a) the unanimous act of the remaining Administrative Trustees if there are at least two of them or (b) otherwise by the Depositor (with the successor in each case being a Person who satisfies the eligibility requirement for Administrative Trustees or the Delaware Trustee, as the case may be, set forth in Section 8.7).

The indemnity provided to a Trustee under Section 8.6 shall survive any Trustee's resignation or removal or termination of this Trust Agreement.

SECTION 8.10. Acceptance of Appointment by Successor. In case of the

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appointment hereunder of a successor Relevant Trustee, the retiring Relevant Trustee and each successor Relevant Trustee shall execute and deliver an amendment hereto wherein each successor Relevant Trustee shall accept such appointment and which (a) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Relevant Trustee all the rights, powers, trusts and duties of the retiring Relevant Trustee and (b) shall add to or change any of the provisions of this Trust Agreement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Relevant Trustee, it being understood that nothing herein or in such amendment shall constitute such Relevant Trustees as co-trustees and upon the execution and delivery of such amendment the resignation or removal of the retiring Relevant Trustee shall become effective to the extent provided therein and each such successor Relevant Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Relevant Trustee; but, on request of the Trust or any successor Relevant Trustee, such retiring Relevant Trustee shall duly assign, transfer and deliver to such successor Relevant Trustee all Trust Property, all proceeds thereof and money held by such retiring Relevant Trustee hereunder.

Upon request of any such successor Relevant Trustee, the Trust shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Relevant Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.



No successor Relevant Trustee shall accept its appointment unless at the time of such acceptance such successor Relevant Trustee shall be qualified and eligible under this Article.

SECTION 8.11. Merger, Conversion, Consolidation or Succession to  
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Business. Any Person into which the Property Trustee, the Delaware Trustee or  
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any Administrative Trustee that is not a natural person may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which such Relevant Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such Relevant Trustee, shall be the successor of such Relevant Trustee hereunder, provided such Person shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.12. Preferential Collection of Claims Against Depositor or  
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Trust. If and when the Property Trustee shall be or become a creditor of the  
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Depositor or the Trust (or any other obligor upon the Debentures or the Trust Securities), the Property Trustee shall be subject to and shall take all actions necessary in order to comply with the provisions of the Trust Indenture Act regarding the collection of claims against the Depositor or Trust (or any such other obligor).

SECTION 8.13. Reports by Property Trustee. Within 60 days after May  
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15 of each year, commencing with the first May 15, after the first issuance of Preferred Securities, the Property Trustee shall provide to the Holders of the Preferred Securities such reports as are required by (S) 313 of the Trust Indenture Act, if any, in the form and in the manner provided by (S) 313 of the Trust Indenture Act. The Property Trustee shall also comply with the requirements of (S) 313(d) of the Trust Indenture Act.

SECTION 8.14. Reports to the Property Trustee. The Depositor and the  
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Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as are required by Section 314 of the Trust Indenture Act (if any) and the compliance certificate required by Section 314(a) of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 8.15. Evidence of Compliance with Conditions Precedent. Each  
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of the Depositor and the

Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Trust Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) of the Trust Indenture Act shall be given in the form of an Officers' Certificate.

SECTION 8.16. Number of Trustees. (a) The number of Trustees shall

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be five, provided that the Holder of all of the Common Securities by written instrument may increase or decrease the number of Administrative Trustees. The Property Trustee and the Delaware Trustee may be the same Person.

(b) If a Trustee ceases to hold office for any reason and the number of Administrative Trustees is not reduced pursuant to Section 8.16(a), or if the number of Trustees is increased pursuant to Section 8.16(a), a vacancy shall occur.

(c) The death, resignation, retirement, removal, bankruptcy, incompetence or incapacity to perform the duties of a Trustee shall not operate to dissolve, terminate or annul the Trust. Whenever a vacancy in the number of Administrative Trustees shall occur, until such vacancy is filled by the appointment of an Administrative Trustee in accordance with Section 8.9, the Administrative Trustees in office, regardless of their number (and notwithstanding any other provision of this Agreement), shall have all the powers granted to the Administrative Trustees and shall discharge all the duties imposed upon the Administrative Trustees by this Trust Agreement.

SECTION 8.17. Delegation of Power. (a) Any Administrative Trustee

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may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 2.7(a), including any registration statement or amendment thereof filed with the Commission, or making any other governmental filing.

(b) The Administrative Trustees shall have power to delegate from time to time to such of their number or to the Depositor the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Administrative Trustees or otherwise as the Administrative Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or



administrative duties of the Administrative Trustees, including the performance of any tax reporting obligations with respect to the Trust or the Securityholders.

SECTION 9.4. Liquidation. (a) If an Early Dissolution Event

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specified in clause (a), (b), (d) or (e) of Section 9.2 occurs or upon the Expiration Date, the Trust shall be liquidated by the Trustees as expeditiously as the Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to each Securityholder an aggregate principal amount of Debentures equal to the aggregate Liquidation Amount of Trust Securities held by such Holder, subject to Section 9.4(d). Notice of liquidation shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not later than 30 nor more than 60 days prior to the Liquidation Date to each Holder of Trust Securities at such Holder's address as it appears in the Securities Register. All notices of liquidation shall be prepared by the Administrative Trustees and shall:

(i) state the Liquidation Date;

(ii) state that, from and after the Liquidation Date, the Trust Securities will no longer be deemed to be Outstanding and any Trust Securities Certificates not surrendered for exchange will be deemed to represent an aggregate principal amount of Debentures equal to the aggregate Liquidation Amount of Preferred Securities held by such Holder; and

(iii) provide such information with respect to the mechanics by which Holders may exchange Trust Securities Certificates for Debentures, or, if Section 9.4(d) applies, receive a Liquidation Distribution, as the Administrative Trustees or the Property Trustee shall deem appropriate.

(b) Except where Section 9.2(c) or 9.4(d) applies, in order to effect the liquidation of the Trust and distribution of the Debentures to Securityholders, the Property Trustee shall establish a record date for such distribution (which shall be not more than 45 days prior to the Liquidation Date and, unless the Property Trustee determines otherwise, shall be the date which is the fifteenth day (whether or not a Business Day) next preceding the Liquidation Date) and, either itself acting as exchange agent or through the appointment of a separate exchange agent, shall establish such procedures as it shall deem

appropriate to effect the distribution of Debentures in exchange for the Outstanding Trust Securities Certificates.

(c) Except where Section 9.2(c) or 9.4(d) applies, after the Liquidation Date, (i) the Trust Securities will no longer be deemed to be Outstanding, (ii) the Clearing Agency or its nominee, as the record holder of such Trust Securities, will receive a registered global certificate or certificates representing the Debentures to be delivered upon such distribution and (iii) any Trust Securities Certificates not held by the Clearing Agency will be deemed to represent an aggregate principal amount of Debentures equal to the aggregate Liquidation Amount of Preferred Securities held by such Holders, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid Distributions on such Trust Securities until such certificates are presented to the Property Trustee for transfer or reissuance.

(d) In the event that, notwithstanding the other provisions of this Section 9.4, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, distribution of the Debentures in the manner provided herein is determined by the Property Trustee not to be practicable, the Trust Property shall be liquidated, and the Trust shall be wound-up or terminated, by the Property Trustee in such manner as the Property Trustee determines, and an Administrative Trustee shall prepare, execute and file the certificate of cancellation with the Secretary of State of the State of Delaware. In such event, Securityholders will be entitled to receive out of the assets of the Trust available for distribution to Securityholders, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the Liquidation Amount per Trust Security plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If, upon any such winding-up or termination, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then, subject to the next succeeding sentence, the amounts payable by the Trust on the Trust Securities shall be paid on a pro rata basis (based  
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upon Liquidation Amounts). The Holder of the Common Securities will be entitled to receive Liquidation Distributions upon any such winding-up or termination pro  
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rata (determined as aforesaid) with Holders of Preferred Securities, except  
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that, if a Debenture Event of Default has occurred and is continuing, the Preferred Securities shall have a priority over the Common Securities.

SECTION 9.5. Mergers, Consolidations, Amalgamations or Replacements

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of the Trust. The Trust may not merge with or into, consolidate, amalgamate, or  
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be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any Person, except pursuant to this Section 9.5 or Section 9.4. At the request of the Depositor, with the consent of the Administrative Trustees and without the consent of the Property Trustee, the Delaware Trustee or the Holders of the Preferred Securities, the Trust may merge with or into, consolidate, amalgamate, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any State; provided, that (i) such successor entity either (a) expressly assumes all of the obligations of the Trust with respect to the Preferred Securities or (b) substitutes for the Preferred Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Preferred Securities rank in priority with respect to Distributions and payments upon liquidation, redemption and otherwise, (ii) the Depositor expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the Debentures, (iii) the Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the Preferred Securities are then listed, if any, (iv) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization, (v) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of the Holder's interest in the new entity), (vi) such successor entity has a purpose substantially identical to that of the Trust, (vii) prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease the Depositor has received an Opinion of Counsel to the effect that (a) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of the Holder's interest in the new entity), (b) following such merger, consolidation, amalgamation, replacement,

conveyance, transfer or lease neither the Trust nor such successor entity will be required to register as an investment company under the 1940 Act, and (c) following such merger, consolidation, amalgamation or replacement, the Trust or such successor entity will be treated as a grantor trust for United States Federal income tax purposes and (viii) the Depositor or any permitted successor or assignee owns, directly or indirectly, all of the common securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee. Notwithstanding the foregoing, the Trust shall not, except with the consent of Holders of 100% in aggregate Liquidation Amount of the Preferred Securities, consolidate, amalgamate, merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than a grantor trust for United States Federal income tax purposes.

ARTICLE 10  
MISCELLANEOUS PROVISIONS

SECTION 10.1. Limitation of Rights of Securityholders. Other than as

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set forth in Section 9.1, the death, incapacity, dissolution, bankruptcy or termination of any Person having an interest, beneficial or otherwise, in Trust Securities shall not operate to dissolve the Trust or terminate this Trust Agreement, nor entitle the legal representatives or heirs of such Person or any Securityholder for such Person to claim an accounting, take any action or bring any proceeding in any court for a partition or winding-up of the arrangements contemplated hereby, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

SECTION 10.2. Amendment. (a) This Trust Agreement may be amended

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from time to time by the Trustees and the Depositor, without the consent of any Securityholders, (i) to cure any ambiguity, correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Trust Agreement, which shall not be inconsistent with the other provisions of this Trust Agreement, (ii) to modify, eliminate or add to any provisions of this Trust Agreement to such extent as shall be necessary to ensure

that the Trust will be classified for United States Federal income tax purposes as a grantor trust at all times that any Trust Securities are Outstanding or to ensure that the Trust will not be required to register as an "investment company" under the 1940 Act, or be classified as other than a grantor trust for United States Federal income tax purposes, or (iii) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Trust Agreement under the Trust Indenture Act; provided, however, that

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in the case of clause (i), such action shall not adversely affect in any material respect the interests of any Securityholder, and any such amendments of this Trust Agreement shall become effective when notice thereof is given to the Securityholders.

(b) Except as provided in Section 10.2(c) hereof, any provision of this Trust Agreement may be amended by the Trustees and the Depositor with (i) the consent of Holders representing not less than a majority (based upon Liquidation Amounts) of the Trust Securities then Outstanding, acting as a single class, and (ii) receipt by the Trustees of an Opinion of Counsel to the effect that such amendment or the exercise of any power granted to the Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for United States Federal income tax purposes or the Trust's exemption from the status of an "investment company" under the 1940 Act, provided, however, if any amendment or proposal that would adversely affect the

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powers, preferences or special rights of the Trust Securities, whether by way of amendment or otherwise, would adversely affect only the Preferred Securities or only the Common Securities, then only the affected class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of a majority in Liquidation Amount of such class of Trust Securities.

(c) In addition to and notwithstanding any other provision in this Trust Agreement, without the consent of each affected Securityholder (such consent being obtained in accordance with Section 6.3 or 6.6 hereof), this Trust Agreement may not be amended to (i) change the amount or timing of any Distribution on the Trust Securities or otherwise adversely affect the amount of any Distribution required to be made in respect of the Trust Securities as of a specified date or (ii) restrict the right of a Securityholder to institute suit for the enforcement of any such payment on or after such date; notwithstanding any other provision herein, without the unanimous consent of the Securityholders (such consent being obtained in accordance



with Section 6.3 or 6.6 hereof), this paragraph (c) of this Section 10.2 may not be amended.

(d) Notwithstanding any other provisions of this Trust Agreement, no Trustee shall enter into or consent to any amendment to this Trust Agreement which would cause the Trust to fail or cease to qualify for the exemption from the status of an "investment company" under the 1940 Act or be classified as other than a grantor trust for United States Federal income tax purposes.

(e) Notwithstanding anything in this Trust Agreement to the contrary, without the consent of the Depositor, this Trust Agreement may not be amended in a manner which imposes any additional obligation on the Depositor.

(f) In the event that any amendment to this Trust Agreement is made, the Administrative Trustees shall promptly provide to the Depositor a copy of such amendment.

(g) Neither the Property Trustee nor the Delaware Trustee shall be required to enter into any amendment to this Trust Agreement which affects its own rights, duties or immunities under this Trust Agreement. The Property Trustee shall be entitled to receive an Opinion of Counsel and an Officers' Certificate stating that any amendment to this Trust Agreement is in compliance with this Trust Agreement and that all conditions precedent, if any, in this Trust Agreement to the execution and delivery of such amendment have been satisfied.

SECTION 10.3. Separability. In case any provision in this Trust  
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Agreement or in the Trust Securities Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.4. Governing Law. THIS TRUST AGREEMENT AND THE RIGHTS AND  
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OBLIGATIONS OF EACH OF THE SECURITYHOLDERS, THE TRUST AND TRUSTEES WITH RESPECT TO THIS TRUST AGREEMENT AND THE TRUST SECURITIES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES AND EXCLUDING SECTIONS 3540 AND 3561 OF TITLE 12 THEREOF.

SECTION 10.5. Payments Due on Non-Business Day. If the date fixed for  
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any payment on any Trust Security shall be a day which is not a Business Day, then such payment need not be made on such date but may be made on the

next succeeding day which is a Business Day except as otherwise provided in Section 4.1 (a) and Section 4.2(d), with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue thereon for the period after such date.

SECTION 10.6. Successors. This Trust Agreement shall be binding upon  
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and shall inure to the benefit of any successor to the Depositor, the Trust or the Relevant Trustee, including any successor by operation of law. Except in connection with a transaction that is permitted under Article 8 of the Indenture and pursuant to which the assignee agrees in writing to perform the Depositor's obligations hereunder, the Depositor shall not assign its obligations hereunder.

SECTION 10.7. Headings. The Article and Section headings are for  
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convenience only and shall not affect the construction of this Trust Agreement.

SECTION 10.8. Reports, Notices and Demands. Any report, notice,  
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demand or other communication which by any provision of this Trust Agreement is required or permitted to be given or served to or upon any Securityholder or the Depositor may be given or served in writing by deposit thereof, first-class postage prepaid, in the United States mail, hand delivery or facsimile transmission, in each case, addressed, (a) in the case of a Holder of Preferred Securities, to such Holder as such Holder's name and address may appear on the Securities Register; and (b) in the case of the Holder of the Common Securities, to Aluminum Company of America, 201 Isabella Street, Pittsburgh, PA 15212-5858.

Any notice, demand or other communication which by any provision of this Trust Agreement is required or permitted to be given or served to or upon the Trust, the Property Trustee, the Delaware Trustee or the Administrative Trustees shall be given in writing addressed (until another address is published by the Trust) as follows: (a) with respect to the Property Trustee, to [The Chase Manhattan Bank], [ ], Attention: [ ], (b) with respect to the Delaware Trustee, to Chase Manhattan Bank Delaware, [ ], Delaware [ ], with a copy of any such notice to the Property Trustee at its address above, and (c) with respect to the Administrative Trustees, to them at the address for notices to the Depositor, marked "Attention: [ ]". Such notice, demand or other communication to or upon the Trust or the Property Trustee shall be deemed to have been sufficiently given or made only

upon actual receipt of the writing by the Trust or the Property Trustee.

SECTION 10.9. Agreement Not to Petition. Each of the Trustees and

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the Depositor agrees for the benefit of the Securityholders that, until at least one year and one day after the Trust has been dissolved in accordance with Article 9, it shall not file, or join in the filing of, a petition against the Trust under any bankruptcy, insolvency, reorganization or other similar law (including, without limitation, the United States Bankruptcy Code) (collectively, "Bankruptcy Laws") or otherwise join in the commencement of any proceeding against the Trust under any Bankruptcy Law. In the event the Depositor takes action in violation of this Section 10.9, the Property Trustee agrees, for the benefit of Securityholders, that, at the expense of the Depositor, it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such petition by the Depositor against the Trust or the commencement of such action and raise the defense that the Depositor has agreed in writing not to take such action and should be stopped and precluded therefrom and such other defenses, if any, as counsel for the Trustee or the Trust may assert. The provisions of this Section 10.9 shall survive the dissolution of this Trust Agreement.

SECTION 10.10. Trust Indenture Act; Conflict with Trust Indenture

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Act. (a) This Trust Agreement is subject to the provisions of the Trust  
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Indenture Act that are required to be part of this Trust Agreement and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is the trustee for the purposes of the Trust Indenture Act.

(c) If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Trust Agreement by any of the provisions of the Trust Indenture Act, such required provision shall control. If any provision of this Trust Agreement modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Trust Agreement as so modified or to be excluded, as the case may be.

(d) The application of the Trust Indenture Act to this Trust Agreement shall not affect the nature of the Trust Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 10.11. Acceptance of Terms of Trust Agreement, Guarantee and

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Indenture. THE RECEIPT AND ACCEPTANCE OF A TRUST SECURITY OR ANY INTEREST

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THEREIN BY OR ON BEHALF OF A SECURITYHOLDER OR BENEFICIAL OWNER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE SECURITYHOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH TRUST SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS TRUST AGREEMENT AND AGREEMENT TO SUBORDINATION PROVISIONS AND OTHER TERMS OF THE GUARANTEE AND THE INDENTURE, AND SHALL CONSTITUTE THE AGREEMENT OF THE TRUST, SUCH SECURITYHOLDER AND SUCH OTHERS THAT THE TERMS AND PROVISIONS OF THIS TRUST AGREEMENT SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS THE AGREEMENT OF THE TRUST AND SUCH SECURITYHOLDER AND SUCH OTHERS.

SECTION 10. 12. Counterparts. This Trust Agreement may contain more

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than one counterpart of the signature page and this Trust Agreement may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed as of the day and year first above written.

ALUMINUM COMPANY OF AMERICA,  
as Depositor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE CHASE MANHATTAN BANK,  
as Property Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHASE MANHATTAN BANK DELAWARE,  
as Delaware Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[ ],  
as Administrative Trustee

\_\_\_\_\_  
[ ],  
as Administrative Trustee

\_\_\_\_\_  
[ ],  
as Administrative Trustee

EXHIBIT A - Certificate of Trust of  
Alcoa Trust I

CERTIFICATE OF TRUST

OF

ALCOA TRUST I

THIS Certificate of Trust of Alcoa Trust I (the "Trust"), dated as of  
[ ], is being duly executed and filed by the undersigned, as  
trustees, to form a business trust under the Delaware Business Trust Act (12  
Del. C. (S)3801 et seq.).  
- - - - -

1. Name. The name of the business trust formed hereby is Alcoa Trust  
[ ].

2. Delaware Trustee. The name and business address of the trustee of  
the Trust with a principal place of business in the State of Delaware are [ ],  
Delaware [ ].

3. Effective Date. This Certificate of Trust shall be effective upon  
filing.

IN WITNESS WHEREOF, the undersigned, being the trustees of the Trust, have  
executed this Certificate of Trust as of the date first-above written.

[ ], not in  
its individual capacity but solely as  
trustee of the Trust

By: \_\_\_\_\_  
Name:  
Title:

[ ], not in his  
individual capacity but solely as  
trustee of the Trust

\_\_\_\_\_

EXHIBIT B - Form of Certificate  
Depositary Agreement

[Attach DTC Letter]

B-1

EXHIBIT C - Form of Common Securities of  
Alcoa Trust I

THIS CERTIFICATE IS NOT TRANSFERABLE  
EXCEPT TO AN ENTITY WHOLLY OWNED BY  
ALUMINUM COMPANY OF AMERICA OR TO  
CERTAIN SUCCESSORS OF ALUMINUM COMPANY  
OF AMERICA

Certificate Number \_\_\_\_\_ Number of Common Securities \_\_\_\_

Certificate Evidencing Common Securities  
of  
Alcoa Trust I

Common Securities  
(Liquidation Amount \$50 per Common Security)

Alcoa Trust I, a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that Aluminum Company of America (the "Holder") is the registered owner of \_\_\_\_\_ common securities of the Trust representing undivided beneficial interests in the assets of the Trust (the "Common Securities"). Except as set forth in Section 5.10 of the Trust Agreement (as defined below), the Common Securities are not transferable and any attempted transfer hereof shall be void. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities are set forth in, and this certificate and the Common Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of [ \_\_\_\_\_, \_\_\_\_\_ ], as the same may be amended from time to time (the "Trust Agreement") including the designation of the terms of the Common Securities as set forth therein. [The Holder is entitled to the benefits of the Common Securities Guarantee Agreement entered into by Aluminum Company of America, a Pennsylvania corporation, and The Chase Manhattan Bank, as Guarantee Trustee, dated as of [ \_\_\_\_\_, \_\_\_\_\_ ] (the "Guarantee"), to the extent provided therein.] The Trust will furnish a copy of the Trust Agreement and the Guarantee to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

Upon receipt of this certificate, the Holder is bound by the Trust Agreement and is entitled to the benefits thereunder.



IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate.

Dated: ALCOA TRUST I

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
As Administrative Trustee

PROPERTY TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Common Securities referred to in the within-mentioned Trust Agreement.

THE CHASE MANHATTAN BANK,  
as Property Trustee

\_\_\_\_\_  
Authorized Signatory

C-2

EXHIBIT D - Form of Preferred Securities of  
Alcoa Trust I

[IF THE PREFERRED SECURITY IS TO BE A GLOBAL CERTIFICATE, INSERT -  
This Preferred Security is a Book-Entry Preferred Securities Certificate within  
the meaning of the Trust Agreement hereinafter referred to and is registered in  
the name of The Depository Trust Company ("DTC") or a nominee of DTC. This  
Preferred Security is exchangeable for Preferred Securities registered in the  
name of a person other than DTC or its nominee only in the limited circumstances  
described in the Trust Agreement and no transfer of this Preferred Security  
(other than a transfer of this Preferred Security as a whole by DTC to a nominee  
of DTC or by a nominee of DTC to DTC or another nominee of DTC) may be  
registered except in limited circumstances.

Unless this certificate is presented by an authorized representative  
of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or  
its agent for registration of transfer, exchange or payment, and any certificate  
issued is registered in the name of Cede & Co. or in such other name as is  
requested by an authorized representative of DTC (and any payment is made to  
Cede & Co. or to such other entity as is requested by an authorized  
representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR  
OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner  
hereof, Cede & Co., has an interest herein.]

Certificate Number \_\_\_\_\_ Number of Preferred Securities \_\_\_\_\_

CUSIP NO. \_\_\_\_\_

CERTIFICATE EVIDENCING PREFERRED SECURITIES  
OF  
ALCOA TRUST [ ]

\_\_\_\_% Convertible Preferred Securities  
(Liquidation Amount \$50 per Preferred Security)

Alcoa Trust [ ], a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that \_\_\_\_\_ (the "Holder") is the registered owner of \_\_\_\_\_ preferred securities of the Trust representing an undivided beneficial interest in the assets of the Trust and designated the Alcoa Trust [ ] \_\_\_\_% Convertible Preferred Securities (Liquidation Amount \$50 per Preferred Security) (the "Preferred Securities"). Except to the extent set forth in the Trust Agreement (as defined below), the Preferred Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer as provided in Section 5.4 of the Trust Agreement (as defined below). The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities are set forth in, and this certificate and the Preferred Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of [ ] as the same may be amended from time to time (the "Trust Agreement") including the designation of the terms of Preferred Securities as set forth therein. The Holder is entitled to the benefits of the Guarantee Agreement entered into by Aluminum Company of America, a Pennsylvania corporation, and The Chase Manhattan Bank, as Guarantee Trustee, dated as of [ ] (the "Guarantee"), to the extent provided therein. The Trust will furnish a copy of the Trust Agreement and the Guarantee to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

Upon receipt of this certificate, the Holder is bound by the Trust Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate.

Dated: ALCOA TRUST I  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
An Administrative Trustee

PROPERTY TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Preferred Securities referred to in the within-mentioned Trust Agreement.

THE CHASE MANHATTAN BANK,  
as Property Trustee  
By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security to:

---

---

(Insert assignee's social security or tax identification number)

---

---

(Insert address and zip code of assignee)

and irrevocably appoints

---

---

agent to transfer this Preferred Securities Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Preferred Securities Certificate)



EXHIBIT E - Notice of Conversion

NOTICE OF CONVERSION

To: The Chase Manhattan Bank,  
as Property Trustee of  
Alcoa Trust I

The undersigned owner of these Preferred Securities hereby irrevocably exercises the option to convert these Preferred Securities, or the portion below designated, into Common Stock of Aluminum Company of America (the "Alcoa Common Stock") in accordance with the terms of the Amended and Restated Trust Agreement (as amended from time to time, the "Trust Agreement"), dated as of [ ], by \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, as Administrative Trustees, Chase Manhattan Bank Delaware, as Delaware Trustee, The Chase Manhattan Bank, as Property Trustee, Aluminum Company of America, as Depositor, and by the Holders, from time to time, of undivided beneficial interests in the assets of the Trust to be issued pursuant to the Trust Agreement. Pursuant to the aforementioned exercise of the option to convert these Preferred Securities, the undersigned hereby directs the Conversion Agent (as that term is defined in the Trust Agreement) to (i) exchange such Preferred Securities for a portion of the Debentures (as that term is defined in the Trust Agreement) held by the Trust (at the rate of exchange specified in the terms of the Preferred Securities set forth in the Trust Agreement) and (ii) promptly convert such Debentures on behalf of the undersigned, into Alcoa Common Stock (at the conversion rate specified in the terms of the Preferred Securities set forth in the Trust Agreement).

The undersigned does also hereby direct the Conversion Agent that the shares issuable and deliverable upon conversion, together with any check in payment for fractional shares, be issued in the name of and delivered to the undersigned, unless a different name has been indicated in the assignment below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto.

Date: \_\_\_\_\_

in whole \_\_\_\_

in part \_\_\_\_\_

Number of Preferred Securities to be converted:

\_\_\_\_\_

If a name or names other than the undersigned, please indicate in the spaces below the name or names in which the shares of Alcoa Common Stock are to be issued, along with the address or addresses of such person or persons

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature (for conversion only)

Please Print or Typewrite Name and Address, Including Zip Code, and Social Security or Other Identifying Number

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature Guarantee:\*

\* (Signature must be guaranteed by an institution which is a member of the following recognized Signature Guaranty Programs: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) in such other guarantee programs acceptable to the Trustee.



GUARANTEE AGREEMENT

between

ALUMINUM COMPANY OF AMERICA

and

THE CHASE MANHATTAN BANK

Relating to the Preferred Securities of

ALCOA TRUST I

Dated as of \_\_\_\_, 19\_\_

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CROSS REFERENCE TABLE\*

Section of Trust Indenture Act of 1939, as amended	Section of Guarantee Agreement
310(a).....	4.1(a)
310(b).....	4.1(c), 2.8
310(c).....	Inapplicable
311(a).....	2.2(b)
311(b).....	2.2(b)
311(c).....	Inapplicable
312(a).....	2.2(a)
312(b).....	2.2(b)
313.....	2.3
314(a).....	2.4
314(b).....	Inapplicable
314(c).....	2.5
314(d).....	Inapplicable
314(e).....	1.1, 2.5, 3.2
314(f).....	3.2
315(a).....	3.1(d)
315(b).....	2.7
315(c).....	3.1
315(d).....	3.1(d)
316(a).....	1.1, 2.6, 5.4
316(b).....	5.3
317(a).....	Inapplicable
317(b).....	Inapplicable
318(a).....	2.1(b)
318(b).....	2.1(b)
318(c).....	2.1(a)

\* This Cross-Reference Table does not constitute part of the Guarantee Agreement and shall not affect the interpretation of any of its terms or provisions.

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## GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT, dated as of \_\_\_\_\_, 19\_\_, is executed and delivered by ALUMINUM COMPANY OF AMERICA, a Pennsylvania corporation (the "Guarantor") and THE CHASE MANHATTAN BANK, a corporation organized and existing under the laws of the State of New York, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Alcoa Trust I, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to an Amended and Restated Trust Agreement (the "Trust Agreement"), dated as of \_\_\_\_\_, 19\_\_, among the Trustees named therein, the Guarantor, as Depositor, and the Holders from time to time of undivided beneficial interests in the assets of the Issuer, the Issuer is issuing \_\_\_\_\_ of its\_% [Convertible] Quarterly Income Preferred Securities (liquidation amount \$50 per preferred security) (the "Preferred Securities") representing preferred undivided beneficial interests in the assets of the Issuer and having the terms set forth in the Trust Agreement;

WHEREAS, the Preferred Securities will be issued by the Issuer and the proceeds thereof, together with the proceeds from the issuance of the Issuer's Common Securities (as defined below), will be used to purchase the Debentures (as defined in the Trust Agreement) of the Guarantor which will be deposited with The Chase Manhattan Bank, as Property Trustee under the Trust Agreement, as trust assets;

WHEREAS, as incentive for the Holders to purchase Preferred Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth herein, to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the purchase by each Holder of Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders from time to time of the Preferred Securities.

ARTICLE I  
DEFINITIONS

SECTION 1.1 Definitions. As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized or otherwise defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement as in effect on the date hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct common control with such specified Person, provided, however, that an Affiliate of the Guarantor shall not be deemed to include the Issuer. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Common Securities" means the securities representing common beneficial interests in the assets of the Issuer.

"Common Stock" shall mean the common stock, par value \$1.00 per share, of the Guarantor.

"Debt" means, with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent, (i) every obligation of such Person for money borrowed; (ii) every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (iii) every reimbursement obligation of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person; (iv) every obligation of such Person issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business); (v) every capital lease obligation of such Person; and (vi) every obligation of the type referred to in clauses (i) through (v) of another Person and all dividends of another person the payment of which, in either case, such Person has guaranteed or for which such Person is responsible or liable, directly or indirectly, as obligor or otherwise.

"Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement; provided, however, that, except with respect to a default in payment of any Guarantee Payments, no Event of Default shall be deemed to have occurred under this Guarantee Agreement unless and until the Guarantor shall have received written notice of default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accumulated and unpaid Distributions (as defined in the Trust Agreement) required to be paid on the Preferred Securities, to the extent the Issuer shall have funds on hand legally available therefor at such time, (ii) the redemption price set forth in the Trust Agreement, including premium, if any, all accrued and unpaid Distributions to the date of redemption (the "Redemption Price"), with respect to the Preferred Securities called for redemption by the Issuer to the extent the Issuer shall have funds on hand legally available therefor, and (iii) upon a voluntary or involuntary dissolution, winding-up or liquidation of the Issuer, other than in connection with the distribution of Debentures to the Holders or the redemption of all Preferred Securities issued by the Issuer, the lesser of (a) the aggregate of the liquidation amount of \$50 per Preferred Security plus accrued and unpaid Distributions on the Preferred Securities to the date of payment to the extent the Issuer shall have funds on hand legally available to make such payment and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

"Guarantee Trustee" means The Chase Manhattan Bank, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means each such Successor Guarantee Trustee.

"Guarantor Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Guarantor whether or not such claim for post-petition interest is allowed in such proceeding), on Debt of the Guarantor, whether incurred on or prior to the date of the Indenture or thereafter incurred, unless, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior in right of payment to the Debentures.



"Holder" means any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor, the Guarantee Trustee or any Affiliate of the Guarantor or the Guarantee Trustee.

"Indenture" means the Indenture dated as of \_\_\_\_, 19\_\_ with respect to the Debentures, between the Guarantor and The Chase Manhattan Bank, as trustee, as the same may be supplemented and amended from time to time.

"List of Holders" has the meaning specified in Section 2.2 (a).

"Majority in Liquidation Amount of the Securities" means, except as provided by the Trust Indenture Act, a vote by the Holder(s), voting separately as a class, of more than 50% of the aggregate liquidation amount of all the outstanding Preferred Securities issued by the Issuer.

"Officers' Certificate" means, with respect to any Person, a certificate signed by (i) the Chairman, Chief Executive Officer, President or a Vice President, and by (ii) the Treasurer, an Assistant Treasurer, the Controller, the Secretary or an Assistant Secretary of such Person, and delivered to the Guarantee Trustee. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Responsible Officer" means, with respect to the Guarantee Trustee, any officer of the Guarantee Trustee with direct responsibility for the administration of this Guarantee Agreement, which may be an Executive Vice President, Senior Vice President, any First Vice President, any Vice President, any Assistant Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, any Trust Officer or Assistant Trust Officer or any other officer of the Corporate Trust Services Division of the Guarantee Trustee customarily performing functions similar to those performed by any of the above designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.1.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

## ARTICLE II TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application. (a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.2 List of Holders. (a) The Guarantor shall furnish or cause to be furnished to the Guarantee Trustee (unless the Guarantee Trustee is acting as Securities Registrar with respect to the Debentures under the Indenture) (i) semi-annually, on or before \_\_\_\_\_ and \_\_\_\_\_ of each year, a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (ii) at such other times as the Guarantee Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished, in each case to the extent such information is in the possession or control of the Guarantor and is not identical to a previously supplied list of Holders or has not otherwise been received by the Guarantee Trustee. Notwithstanding the foregoing, the Guarantor shall not be obligated to provide such List of Holders at any time the Preferred Securities are represented by one or more Global Securities (as defined in the Indenture). The Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Section 311(a), Section 311(b) and Section 312(b) of the Trust Indenture Act.

SECTION 2.3 Reports by the Guarantee Trustee. Within 60 days of May 15 of each calendar year, the Guarantee Trustee shall provide to the Holders such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to Guarantee Trustee. The Guarantor shall provide to the Guarantee Trustee, the Securities and Exchange Commission and the Holders such documents, reports and information, if any, as required by Section 314 of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5 Evidence of Compliance with Conditions Precedent. The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with such conditions precedent, if any, provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6 Events of Default; Waiver. The Holders of a Majority in Liquidation Amount of the Securities may, by vote, on behalf of the Holders, waive any past default or Event of Default and its consequences. Upon such waiver, any such default or Event of Default shall cease to exist, and any default or Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent therefrom.

SECTION 2.7 Event of Default; Notice. (a) The Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders, notices of all Events of Default known to the Guarantee Trustee, unless such defaults have been cured before the giving of such notice, provided, that, except in the case of a default in the payment of a Guarantee Payment, the Guarantee Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Guarantee Trustee in good faith determine that the withholding of such notice is in the interests of the Holders.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Guarantee Trustee shall have received written notice, or a Responsible Officer charged with the administration of the Trust Agreement shall have obtained written notice, of such Event of Default.

SECTION 2.8 Conflicting Interests. The Trust Agreement and the Indenture shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE III  
POWERS, DUTIES AND RIGHTS OF THE GUARANTEE TRUSTEE

SECTION 3.1 Powers and Duties of the Guarantee Trustee. (a) This Guarantee Agreement shall be held by the Guarantee Trustee for the benefit of the Holders, and the Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except a Holder exercising his or her rights pursuant to Section 5.4(iv) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee shall automatically vest in any Successor Guarantee Trustee, upon acceptance by such Successor Guarantee Trustee of its appointment hereunder, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If an Event of Default actually known to the Responsible Officer of the Guarantee Trustee has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders.

(c) The Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) and is actually known to the Responsible Officer of the Guarantee Trustee, the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Guarantee Agreement shall be construed to relieve the Guarantee Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred;

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement; and

(B) in the absence of bad faith on the part of the Guarantee Trustee, the Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Guarantee Trustee and conforming to the requirements of this Guarantee Agreement; but in the case of any such certificates or opinions that by any provision hereof or of the Trust Indenture Act are specifically required to be furnished to the Guarantee Trustee, the Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee Agreement;

(ii) the Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Guarantee Trustee, unless it shall be proved that the Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement shall require the Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Guarantee Trustee shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Guarantee Agreement or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 3.2 Certain Rights of Guarantee Trustee. (a) Subject to the provisions of Section 3.1:

(i) The Guarantee Trustee may rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, proxy, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by an Officers' Certificate unless otherwise prescribed herein.

(iii) Whenever, in the administration of this Guarantee Agreement, the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting to take any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request from the Guarantee Trustee, shall be promptly delivered by the Guarantor.

(iv) The Guarantee Trustee may consult with legal counsel, and the written advice or opinion of such legal counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or opinion. Such legal counsel may be legal counsel to the Guarantor or any of its Affiliates and may be one of its employees. The Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction.

(v) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have provided to the Guarantee Trustee such adequate security and indemnity as would satisfy a reasonable person in the position of the Guarantee Trustee, against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or

direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided that nothing contained in this Section 3.2(a)(v) shall be taken to relieve the Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement and use the same degree of care and skill in the exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(vi) The Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys or any Affiliate, and the Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

(viii) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Guarantee Trustee (A) may request instructions from the Holders of a Majority in Liquidation Amount of the Securities, (B) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (C) shall be protected in acting in accordance with such instructions.

(ix) Any action taken by the Guarantee Trustee or its agents hereunder shall bind the Holders, and the signature of the Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Guarantee Trustee to so act or as to its compliance with any of the terms and provisions of this Guarantee Agreement both of which shall be conclusively evidenced by the Guarantee Trustee's or its agent's taking such action.



(b) No provision of this Guarantee Agreement shall be deemed to impose any duty or obligation on the Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Guarantee Trustee shall be construed to be a duty to act in accordance with such power and authority.

SECTION 3.3 Indemnity. The Guarantor agrees to indemnify the Guarantee Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Guarantee Trustee, arising out of or in connection with the acceptance or administration of this Guarantee Agreement, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Guarantee Trustee will not claim or exact any lien or charge on any Guarantee Payment as a result of any amount due to it under this Guarantee Agreement.

#### ARTICLE IV GUARANTEE TRUSTEE

SECTION 4.1 Guarantee Trustee; Eligibility. (a) There shall at all times be a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000, and shall be a corporation meeting the requirements of Section 310(a) of the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority, then, for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible to so act under Section 4.1(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act. The Trust Agreement and the Indenture shall not be deemed to constitute conflicting interests of the Guarantee Trustee.

SECTION 4.2 Appointment, Removal and Resignation of the Guarantee Trustee. (a) Subject to Section 4.2(b) the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed in accordance with Section 4.2(a) until a Successor Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed to office hereunder shall hold office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by an instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Guarantee Trustee may petition, at the expense of the Guarantor, any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

ARTICLE V  
GUARANTEE

SECTION 5.1 Guarantee. The Guarantor irrevocably and unconditionally agrees, subject to Section 5.8 and Article 8, to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by or on behalf of the Issuer), as and when due, regardless of any defense, right of set-off or counter claim which the Issuer may have or assert other than the defense of payment. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 5.2 Waiver of Notice and Demand. The Guarantor hereby waives notice of acceptance of the Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Guarantee Trustee, Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 5.3 Obligations Not Affected. The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions that results from the extension of any interest payment period on the Debentures as so provided in the Indenture);

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Preferred Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders or the Guarantee Trustee to give notice to, or obtain the consent of, the Guarantor with respect to the happening of any of the foregoing.

SECTION 5.4 Rights of Holders. The Guarantor expressly acknowledges that: (i) this Guarantee Agreement will be deposited with the Guarantee Trustee to be held for the benefit of the Holders; (ii) the Guarantee Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders; (iii) the Holders of a Majority in Liquidation Amount of the Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; (iv) any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Guarantee Trustee, the Issuer or any other Person; and (v) if an Event of Default with respect to the Debentures constituting the failure to pay interest or principal on the Debentures on the date such interest or principal is otherwise payable has occurred and is continuing, then any Holder shall

have the right, which is absolute and unconditional, to proceed directly against the Guarantor to obtain Guarantee Payments without first waiting to determine if the Guarantee Trustee has enforced this Guarantee Agreement or instituting a legal proceeding against the Issuer, the Guarantee Trustee or any other Person.

SECTION 5.5 Guarantee of Payment. This Guarantee Agreement creates a guarantee of payment and not of collection. This Guarantee Agreement will not be discharged except by payment of the Guarantee Payments in full (without duplication of amounts theretofore paid by the Issuer) or upon distribution of Debentures to Holders as provided in the Trust Agreement.

SECTION 5.6 Subrogation. The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment by the Issuer pursuant to Section 5.1; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Guarantor Trustee for the benefit of the Holders.

SECTION 5.7 Independent Obligations. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.3 hereof.

SECTION 5.8 Subordination. The Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all other liabilities of the Guarantor; (ii) *pari passu* with the most senior preferred stock or preference stock, if any, hereafter issued by the Guarantor and with any guarantee hereafter entered into by the Guarantor in respect

of any preferred or preference stock or interests of any affiliate of the Guarantor\*\* and (iii) senior to the Guarantor's Common Stock. Each Holder of Preferred Securities, by its acceptance thereof, agrees to the subordination provisions and other terms of this Guarantee Agreement.

If an "Event of Default" (as defined in the Indenture) has occurred and is continuing, the rights of holders of Common Securities to receive Guarantee Payments under the Common Securities Guarantee Agreement are subordinate to the rights of the Holders of Preferred Securities to receive Guarantee Payments under this Guarantee Agreement.

#### ARTICLE VI COVENANTS

SECTION 6.1 Certain Covenants of the Guarantor. (a) Guarantor covenants and agrees that if and so long as (i) the Issuer is the holder of all the Debentures, (ii) a Tax Event (as defined in the Trust Agreement) in respect of the Issuer has occurred and is continuing and (iii) the Guarantor has elected, and has not revoked such election, to pay Additional Sums (as defined in the Trust Agreement) in respect of the Preferred Securities and Common Securities, the Guarantor will pay to the Issuer such Additional Sums.

(b) The Guarantor covenants and agrees that so long as any Preferred Securities remain outstanding, it will not (i) declare or pay any dividends on make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its Common Stock (other than (i) purchases or acquisitions of shares of Common Stock in connection with the satisfaction by the Guarantor of its obligations under any employee benefit plan, (ii) as a result of a reclassification of the Guarantor's Common Stock or the exchange or conversion of one class or series of the Guarantor's Common Stock for another class or series of the Guarantor's Common Stock, (iii) the purchase of fractional interests in shares of the Guarantor's Common Stock pursuant to the conversion or exchange provisions of such Common Stock of the Guarantor or the security being converted or exchanged or (iv) purchases or acquisitions of shares of Common Stock to be used in connec-

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\*\* Should we differentiate between operating subsidiaries and financing subsidiaries?

tion with acquisitions of Common Stock by shareholders pursuant to the Guarantor's dividend reinvestment plan) or make any guarantee payments with respect to the foregoing and (b) the Guarantor shall not make any payment of principal or premium, if any, on or repurchase any debt securities (including guarantees) other than at stated maturity issued by the Guarantor which rank pari passu with or junior to the Debentures if at such time (x) there shall have occurred any event of which the Guarantor has actual knowledge that (A) with the giving of notice or the lapse of time, or both, would constitute an Event of Default under this Guarantee Agreement or the Trust Agreement and (B) in respect or which the Guarantor shall not have taken reasonable steps to cure or (y) the Guarantor shall have given notice of its selection of an Extension Period (as defined in the Indenture) with respect to the Debentures and shall not have rescinded such notice, or such Extension Period, or any extension thereof, shall be continuing.

(c) The Guarantor covenants and agrees (i) to maintain directly or indirectly 100% ownership of the Common Securities, provided that certain successors which are permitted by the Indenture may succeed to the Guarantor's ownership of the Common Securities, (ii) not to voluntarily terminate, wind-up or liquidate the Issuer, except (a) in connection with a distribution of the Debentures to the holders of the Preferred Securities in liquidation of the Issuer or (b) in connection with certain mergers, consolidations or amalgamations permitted by the Trust Agreement, (iii) to use its reasonable efforts, consistent with the terms and provisions of the Trust Agreement, to cause the Issuer to remain classified as a grantor trust for United States Federal income tax purposes, (iv) for so long as Preferred Securities are outstanding, not to convert Debentures except pursuant to a notice of conversion delivered to the Conversion Agent (as defined in the Trust Agreement) by a Holder, (v) to maintain the reservation for issuance of the number of shares of Common Stock that would be required from time to time upon the conversion of all the Debentures then outstanding, (vi) to deliver shares of Common Stock upon an election by the Holders to convert such Preferred Securities into Common Stock and (vii) to honor all obligations relating to the conversion or exchange of the Preferred Securities into or for Common Stock or Debentures.

ARTICLE VII  
TERMINATION

SECTION 7.1 Termination. This Guarantee Agreement shall terminate as to each Holder with respect to the Preferred Securities of the Issuer and be of no further force and effect upon the earliest of (i) full payment of the redemption price of all Preferred Securities, (ii) distribution of the Debentures of the Guarantor held by the Issuer to the Holders or (iii) full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid under such Preferred Securities or this Guarantee Agreement.

ARTICLE VII  
SUBORDINATION OF GUARANTEE

SECTION 8.1 Guarantee Subordinate to Guarantor Senior Debt. The Guarantor covenants and agrees, and each Holder, by its acceptance thereof, likewise covenants and agrees, that the payment of the Guarantee Payments pursuant to this Guarantee Agreement is hereby expressly made subordinate and subject in right of payment to the prior payment in full in cash of all amounts then due and payable in respect of all Guarantor Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Guarantor Senior Debt and that no payment of the Guarantee Payments pursuant to this Guarantee Agreement may be made unless full payment of all amounts then due for principal, premium, if any, and interest then due on all Guarantor Senior Debt (by lapse of time, acceleration or otherwise) has been made or duly provided for in cash or in a manner satisfactory to the holders of such Guarantor Senior Debt.

SECTION 8.2 Payment Over of Proceeds Upon Dissolution, Etc. Upon any distribution of the Guarantor's assets in connection with any dissolution, winding-up, liquidation or reorganization of the Guarantor, whether voluntary or involuntary, in bankruptcy, insolvency or receivership proceedings (each such event, if any, herein sometimes referred to as a "Proceeding"), or upon an assignment for the benefit of creditors or otherwise: (i) all Guarantor Senior Debt (including without limitation all interest accruing on or after the filing of any petition in bankruptcy relating to the Guarantor at the relevant contractual rate, whether or not such claim for post-petition interest is allowed in such Proceeding) must be paid in



full in cash before the Holders are entitled to any payments or distributions of any kind or character on account of any Guarantee Payments pursuant to this Guarantee Agreement, and (ii) any payment or distribution of the Guarantor's assets of any kind or character, whether in cash, securities or other property, which would otherwise (but for these subordination provisions) be payable or deliverable in respect of the Guarantee Payments shall be paid or delivered directly to the holders of such Guarantor Senior Debt (or their representative or trustee) in accordance with the priorities then existing among such holders until all Guarantor Senior Debt shall have been paid in full in cash before any payment or distribution is made to the Holders.

In the event that, notwithstanding the subordination provisions set forth herein, any payment or distribution of assets of any kind or character is made at a time when the respective payment is not permitted to be made as a result of the subordination provisions described above and before all Guarantor Senior Debt is paid in full in cash, the Guarantee Trustee or the Holders receiving such payment will be required to pay over such payment or distribution to the holders of such Guarantor Senior Debt.

The consolidation of the Guarantor with, or the merger of the Guarantor into, another Person or the liquidation or dissolution of the Guarantor following the sale of all or substantially all of its properties and assets as an entirety to another Person upon the terms and conditions set forth in Article VIII of the Indenture shall not be deemed a Proceeding for the purposes of this Section if the Person formed by such consolidation or into which the Guarantor is merged or the Person which acquires by sale such properties and assets as an entirety, as the case may be, shall, as a part of such consolidation, merger, or sale comply with the conditions set forth in Article 8.

SECTION 8.3 No Payment When Guarantor Senior Debt in Default. In the event and during the continuation of any default in the payment of principal of (or premium, if any) or interest on, or any other amounts owing with respect to, any Guarantor Senior Debt when the same becomes due and payable or in the event any judicial proceeding shall be pending with respect to any such default, then, unless and until such default shall have been cured or waived or shall have ceased to exist, no payment or distribution of any kind or character, whether in cash or properties shall be made by the Guarantor on account of any Guarantee Payment.

The Guarantor shall give prompt written notice to the Guarantee Trustee of any default in payment of principal of or interest on any Guarantor Senior

Debt; provided that no failure to give such a notice shall have any effect whatsoever on the subordination provisions described herein.

In the event that, notwithstanding the foregoing, the Guarantor shall make any payment to the Guarantee Trustee or any Holder prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known as set forth in Section 8.6, to the Guarantee Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Guarantor.

The provisions of this Section shall not apply to any payment with respect to which Section 8.2 would be applicable.

SECTION 8.4 Guarantee Trustee to Effectuate Subordination. Each Holder by his or her acceptance thereof authorizes and directs the Guarantee Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination provided in this Article and appoints the Guarantee Trustee as his or her attorney-in-fact for any and all such purposes.

SECTION 8.5 No Waiver of Subordination Provisions. No right of any present or future holder of any Guarantor Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Guarantor or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Guarantor with the terms, provisions and covenants of this Guarantee Agreement, regardless of any knowledge thereof that any such holder may have or be otherwise charged with.

SECTION 8.6 Notice to Guarantee Trustee. The Guarantor shall give written notice as soon as commercially practicable to the Guarantee Trustee of any fact actually known to the Guarantor which would prohibit the making of any payment to or by the Guarantee Trustee in respect of the Guarantee Payments. Notwithstanding the provisions of this Article or any other provision of this Guarantee Agreement, the Guarantee Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Guarantee Trustee in respect of the Guarantee Payments, unless and until the Guarantee Trustee shall have received written notice thereof from the Guarantor or a Person representing itself as a holder of Guarantor Senior Debt or from any trustee, agent or representative therefor (whether or not the facts contained in such notice are true).

SECTION 8.7 Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Guarantor referred to in this Article, the Guarantee Trustee, subject to the provisions of Article 3, and the Holders shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which a Proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Guarantee Trustee or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Guarantor Senior Debt and other indebtedness of the Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

SECTION 8.8 Guarantee Trustee Not Fiduciary for Holders of Guarantor Senior Debt. With respect to the holders of the Guarantor Senior Debt, the Guarantee Trustee undertakes to perform or observe only such of its obligations and covenants as are set forth in this Article 8, and no implied covenants or obligations with respect to the holders of such Guarantor Senior Debt shall be read into this Guarantee Agreement against The Chase Manhattan Bank and/or the Guarantee Trustee. The Chase Manhattan Bank and/or the Guarantee Trustee shall not be deemed to owe any fiduciary duty to the holders of such Guarantor Senior Debt and, subject to the provisions of Section 3.2, neither the Guarantee Trustee nor The Chase Manhattan Bank shall be liable to the holder of any Guarantor Senior Debt if it shall pay over or deliver to Holders, the Guarantor, or any other person, money or assets to which any holder of such Guarantor Senior Debt shall be entitled by virtue of this Article 8 or otherwise.

SECTION 8.9 Rights of Guarantee Trustee as Holder of Guarantor Senior Debt; Preservation of Guarantee Trustee's Rights. The Guarantee Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Guarantor Senior Debt which may at any time be held by it, to the same extent as any other holder of Guarantor Senior Debt, and, subject to the requirements of the Trust Indenture Act, nothing in this Guaranty Agreement shall deprive the Guarantee Trustee of any of its rights as such holder.

SECTION 8.10 Certain Conversions or Exchanges Deemed Payment. For the purpose of this Article only, (a) the issuance and delivery of junior securities upon conversion or exchange of Debentures shall not be deemed to

constitute a payment or distribution on account of the principal of (or premium, if any) or interest (including any Additional Interest) on the Debentures or on account of the purchase or other acquisition of Debentures, and (b) the payment, issuance or delivery of cash (including any payments for fractional shares), property or securities (other than junior securities) upon conversion or exchange of a Debenture shall be deemed to constitute payment on account of the principal of such security. For the purpose of this Section, the term "junior securities" means (i) shares of any stock of any class of the Guarantor and (ii) securities of the Guarantor which are subordinated in right of payment to all Guarantor Senior Debt which may be outstanding at the time of issuance or delivery of such securities to substantially the same extent as, or to a greater extent than, the Debentures which are so subordinated as provided in this Article.

ARTICLE IX  
MISCELLANEOUS

SECTION 9.1 Successors and Assigns. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Article 8 of the Indenture and pursuant to which the assignee agrees in writing to perform the Guarantor's obligations hereunder, the Guarantor shall not assign its obligations hereunder.

SECTION 9.2 Amendments. Except with respect to any changes which do not adversely affect the rights of the Holders in any material respect (in which case no consent of the Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of not less than a Majority in Liquidation Amount of the Securities. The provisions of Article 6 of the Trust Agreement concerning meetings of the Holders shall apply to the giving of such approval. The Guarantor shall furnish the Guarantee Trustee with an Officers' Certificate and an Opinion of Counsel to the effect that any amendment of this Agreement is authorized and permitted and that all conditions precedent, if any, in this Guarantee Agreement, to the execution and delivery of such amendment have been satisfied.

SECTION 9.3 Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing, duly signed by the party giving such notice, and delivered, telecopied or mailed by first class mail as

follows: (a) if given to the Guarantor, to the address set forth below or such other address as the Guarantor may give notice of to the Holders:

Aluminum Company of America  
201 Isabella Street  
Pittsburgh, Pennsylvania 15212-5858  
Attention: Treasurer

(b) if given to the Issuer, in care of the Guarantee Trustee, at the Issuer's (and the Guarantee Trustee's) address set forth below or such other address as the Guarantee Trustee on behalf of the Issuer may give notice of to the Holders:

Alcoa Trust I  
c/o Aluminum Company of America  
201 Isabella Street  
Pittsburgh, Pennsylvania 15212-5858  
Attention: Treasurer

with a copy to:

The Chase Manhattan Bank  
450 West 33<sup>rd</sup> Street, 15th Floor  
New York, New York 10001  
Attention: Global Trust Services

(c) if given to any Holder, at the address set forth on the books and records of the Issuer.

All notices hereunder shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid, except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 9.4 Benefit. This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

SECTION 9.5 Interpretation. In this Guarantee Agreement, unless the context otherwise requires:

(a) capitalized terms used in this Guarantee Agreement but not defined in the preamble hereto have the respective meanings assigned to them in Section 1.1;

(b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout;

(c) all references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time;

(d) all references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires;

(f) a reference to the singular includes the plural and vice versa;  
and

(g) the masculine, feminine or neuter genders used herein shall include the masculine, feminine and neuter genders.

SECTION 9.6 Governing Law. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITH OUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

ALUMINUM COMPANY  
OF AMERICA

By: \_\_\_\_\_  
Name:  
Title:

THE CHASE MANHATTAN BANK  
as Guarantee Trustee

By: \_\_\_\_\_  
Name:  
Title:

SUBSIDIARIES AND EQUITY ENTITIES OF THE REGISTRANT  
(As of June 30, 1998)

Name -----	State or Country of Organization -----
Alcoa Alumina & Chemicals, L.L.C.*	Delaware
Alcoa ACC Industrial Chemicals Ltd.	India
Alcoa Kasei Limited	Japan
Alcoa Minerals of Jamaica, Inc., L.L.C.	Delaware
Alcoa Steamship Company, Inc.	New York
Halco (Mining) Inc.	Delaware
Compagnie des Bauxites de Guinee	Delaware
Lib-Ore Steamship	Liberia
Moralco Limited	Japan
St. Croix Alumina, L.L.C.	Delaware
Suriname Aluminum Company, L.L.C.	Delaware
Alcoa Brazil Holdings Company	Delaware
Alcoa Alumínio S.A.	Brazil
Alcoa Building Products, Inc.**	Ohio
Alcoa Closure Systems International, Inc.	Delaware
Alcoa Generating Corporation	Indiana
Alcoa International Holdings Company	Delaware
Alcoa Inter-America, Inc.	Delaware
Alcoa Japan Limited	Japan
Alcoa-Kofem Kft	Hungary
Alcoa Nederland Holding B.V.	Netherlands
Alcoa Inespal S.A.	Spain
Aluminio Espanol S.A.	Spain
Alumina Espanola S.A.	Spain
Inespal Metal S.A.	Spain
Alcoa International, S.A.	Switzerland
Alcoa Italia S.p.A.	Italy
Alcoa Nederland B.V.	Netherlands
Norsk Alcoa A/S	Norway
Alcoa of Australia Limited	Australia
A.F.P. Pty. Limited	Australia
Hedges Gold Pty. Ltd.	Australia
Alcoa of Australia (Asia) Limited.	Hong Kong
Alcoa Russia, Inc.	Delaware
Asian-American Packaging Systems Co., Ltd.	China
Kobe Alcoa Transportation Products, Ltd.	Japan
Unified Accord SDN. BHD.	Malaysia

\* Registered to do business in California, Florida, Georgia, Louisiana, North Carolina, Pennsylvania and Texas under the name of Alcoa Industrial Chemicals.

\*\* Registered to do business in Ohio under the name of Mastic.

Name -----	State or Country of Organization -----
Alcoa Laudel, Inc.	Delaware
Alcoa Manufacturing (G.B.) Limited	England
Alcoa Properties, Inc.	Delaware
Alcoa South Carolina, Inc.	Delaware
Alcoa Recycling Company, Inc.	Delaware
Alcoa Securities Corporation	Delaware
Alcoa Automotive Structures, Inc.	Delaware
Alcoa Brite Products, Inc.	Delaware
Alcoa Fujikura Ltd.	Delaware
Stribel GmbH	Germany
Michels GmbH	Germany
Alcoa Kobe Transportation Products, Inc.	Delaware
Alcoa Nederland Finance B.V.	Netherlands
Alcoa Automotive Structures GmbH	Germany
Alcoa Chemie GmbH	Germany
Alcoa Deutschland GmbH	Germany
Alcoa Extrusions Hannover GmbH & Co., KG	Germany
Alcoa Chemie Nederland B.V.	Netherlands
Alcoa Moerdijk B.V.	Netherlands
Alcoa Packaging Machinery, Inc.	Delaware
ASC Alumina, Inc.	Delaware
B & C Research, Inc.	Ohio



Halethorpe Extrusions, Inc.	Delaware
H-C Industries de Mexico, S.A. de C.V.	Mexico
Northwest Alloys, Inc.	Delaware
Pimalco, Inc.	Arizona
Three Rivers Insurance Company	Vermont
Tifton Aluminum Company, Inc.	Delaware
Alcoa (Shanghai) Aluminum Products Company Limited	China
Alumax Inc.	Delaware
AMX Acquisition Corp.	Delaware
Capsulas Metalicas, S.A.	Spain
Gulf Closures W.L.L.	Bahrain
Shibazaki Seisakusho Limited	Japan
Tapoco, Inc.	Tennessee
Yadkin, Inc.	North Carolina

The names of certain subsidiaries and equity entities which, considered in the aggregate, would not constitute a significant subsidiary, have been omitted from the above list.

Name -----	State or Country of Organization -----
Alcoa Laudel, Inc.	Delaware
Alcoa Manufacturing (G.B.) Limited	England
Alcoa Properties, Inc.	Delaware
Alcoa South Carolina, Inc.	Delaware
Alcoa Recycling Company, Inc.	Delaware
Alcoa Securities Corporation	Delaware
Alcoa Automotive Structures, Inc.	Delaware
Alcoa Brite Products, Inc.	Delaware
Alcoa Fujikura Ltd.	Delaware
Stribel GmbH	Germany
Michels GmbH	Germany
Alcoa Kobe Transportation Products, Inc.	Delaware
Alcoa Nederland Finance B.V.	Netherlands
Alcoa Automotive Structures GmbH	Germany
Alcoa Chemie GmbH	Germany
Alcoa Deutschland GmbH	Germany
Alcoa Extrusions Hannover GmbH & Co., KG	Germany
Alcoa Chemie Nederland B.V.	Netherlands
Alcoa Moerdijk B.V.	Netherlands
Alcoa Packaging Machinery, Inc.	Delaware
ASC Alumina, Inc.	Delaware
B & C Research, Inc.	Ohio
Halethorpe Extrusions, Inc.	Delaware
H-C Industries de Mexico, S.A. de C.V.	Mexico
Northwest Alloys, Inc.	Delaware
Pimalco, Inc.	Arizona
Three Rivers Insurance Company	Vermont
Tifton Aluminum Company, Inc.	Delaware
Alcoa (Shanghai) Aluminum Products Company Limited	China
Alumax Inc.	Delaware
AMX Acquisition Corp.	Delaware
Capsulas Metalicas, S.A.	Spain
Gulf Closures W.L.L.	Bahrain
Shibazaki Seisakusho Limited	Japan
Tapoco, Inc.	Tennessee
Yadkin, Inc.	North Carolina

The names of certain subsidiaries and equity entities which, considered in the aggregate, would not constitute a significant subsidiary, have been omitted from the above list.

July 16, 1998

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

RE: ALUMINUM COMPANY OF AMERICA

We are aware that our report, dated April 6, 1998, of our review of interim financial information of Aluminum Company of America (the "Company") and subsidiaries for the three-month period ended March 31, 1998, and included in the Company's quarterly report on Form 10-Q for the quarter then ended, is incorporated by reference in this Registration Statement on Form S-3 for the registration of Debt Securities, Warrants to purchase Senior Debt Securities, Preferred Stock and Common Stock of the Company and Trust Preferred Securities of Alcoa Trust I. Pursuant to Rule 436(e) under the Securities Act of 1933, this report should not be considered as part of a registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

PricewaterhouseCoopers LLP

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Registration Statement on Form S-3 of Aluminum Company of America (the "Company") and Alcoa Trust I under the Securities Act of 1933, of our report dated January 8, 1998, except Note V, for which the date is February 6, 1998, on our audits of the consolidated financial statements and financial statement schedules of Aluminum Company of America and consolidated subsidiaries as of December 31, 1997 and 1996, and for each of the three years in the period ended December 31, 1997, which reports are incorporated by reference or included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania  
July 16, 1998

## POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that each of the under signed Directors of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$750 million of convertible debt securities of the Company, up to \$750 million of convertible preferred securities of a Delaware business trust or other entity affiliated with the Company (the "Issuer"), a guaranty by the Company of such convertible preferred securities of the Issuer, and such number of shares of common stock, par value \$1.00 per share, of the Company as are issuable upon conversion from time to time of any of the foregoing securities, and including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of each of the undersigned Directors of the Company in the capacity of Director thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents on the date set opposite the names below.

/s/ Kenneth W. Dam  
-----

Kenneth W. Dam

March 13, 1998

/s/ Joseph T. Gorman  
-----

Joseph T. Gorman

March 13, 1998

/s/ Judith M. Gueron  
-----

Judith M. Gueron

March 13, 1998

/s/ Sir Ronald Hampel  
-----  
Sir Ronald Hampel March 13, 1998

/s/ John P. Mulroney  
-----  
John P. Mulroney March 13, 1998

/s/ Sir Arvi Parbo  
-----  
Sir Arvi Parbo March 13, 1998

/s/ Henry B. Schacht  
-----  
Henry B. Schacht March 13, 1998

/s/ Forrest N. Shumway  
-----  
Forrest N. Shumway March 13, 1998

/s/ Franklin A. Thomas  
-----  
Franklin A. Thomas March 13, 1998

/s/ Marina v.N. Whitman  
-----  
Marina v.N. Whitman March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Executive Vice President and Chief Financial Officer of Aluminum Company of America (the "Company") hereby constitutes and appoints EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$750 million of convertible debt securities of the Company, up to \$750 million of convertible preferred securities of a Delaware business trust or other entity affiliated with the Company (the "Issuer"), a guaranty by the Company of such convertible preferred securities of the Issuer, and such number of shares of common stock, par value \$1.00 per share, of the Company as are issuable upon conversion from time to time of any of the foregoing securities, and including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Executive Vice President and Chief Financial Officer of the Company in the capacity of Principal Financial Officer thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents on the date set opposite the name below.

/s/ Richard B. Kelson

-----  
Richard B. Kelson  
Executive Vice President and  
Chief Financial Officer

March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Senior Vice President and Controller of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$750 million of convertible debt securities of the Company, up to \$750 million of convertible preferred securities of a Delaware business trust or other entity affiliated with the Company (the "Issuer"), a guaranty by the Company of such convertible preferred securities of the Issuer, and such number of shares of common stock, par value \$1.00 per share, of the Company as are issuable upon conversion from time to time of any of the foregoing securities, and including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Senior Vice President and Controller of the Company in the capacity of Principal Accounting Officer thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents on the date set opposite the name below.

/s/ Earnest J. Edwards

-----

Earnest J. Edwards  
Vice President and Controller

March 13, 1998



POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Chairman of the Board and Chief Executive Officer of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$750 million of convertible debt securities of the Company, up to \$750 million of convertible preferred securities of a Delaware business trust or other entity affiliated with the Company (the "Issuer"), a guaranty by the Company of such convertible preferred securities of the Issuer, and such number of shares of common stock, par value \$1.00 per share, of the Company as are issuable upon conversion from time to time of any of the foregoing securities, and including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Chairman of the Board and Chief Executive Officer of the Company in the capacity of Principal Executive Officer thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents on the date set opposite the name below.

/s/ Paul H. O'Neill

-----  
Paul H. O'Neill  
Chairman of the Board and  
Chief Executive Officer

March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Director of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$750 million of convertible preferred securities of the Company, up to \$750 million of convertible preferred securities of a Delaware business trust or other entity affiliated with the Company (the "Issuer"), a guaranty by the Company of such convertible preferred securities of the Issuer, and such number of shares of common stock, par value \$1.00 per share, of the Company as are issuable upon conversion from time to time of any of the foregoing securities, and including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Director of the Company in the capacity of Director thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents on the date set opposite the name below.

/s/ Hugh M. Morgan

-----  
Hugh M. Morgan

May 22, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that each of the under signed Directors of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$1 billion of securities, including but not limited to, debt, convertible, common, preferred or hybrid securities of the Company, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of each of the undersigned Directors of the Company in the capacity of Director thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents on the date set opposite the names below.

/s/ Kenneth W. Dam

-----

Kenneth W. Dam  
March 13, 1998

/s/ Joseph T. Gorman

-----

Joseph T. Gorman  
March 13, 1998

/s/ Judith M. Gueron

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Judith M. Gueron  
March 13, 1998

/s/ Sir Ronald Hampel

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Sir Ronald Hampel  
March 13, 1998

/s/ John P. Mulroney  
-----  
John P. Mulroney  
March 13, 1998

/s/ Sir Arvi Parbo  
-----  
Sir Arvi Parbo  
March 13, 1998

/s/ Henry B. Schacht  
-----  
Henry B. Schacht  
March 13, 1998

/s/ Forrest N. Shumway  
-----  
Forrest N. Shumway  
March 13, 1998

/s/ Franklin A. Thomas  
-----  
Franklin A. Thomas  
March 13, 1998

/s/ Marina v.N. Whitman  
-----  
Marina v.N. Whitman  
March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Executive Vice President and Chief Financial Officer of Aluminum Company of America (the "Company") hereby constitutes and appoints EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or either of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or either of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$1 billion of securities, including but not limited to, debt, convertible, common, preferred or hybrid securities of the Company, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Executive Vice President and Chief Financial Officer of the Company in the capacity of Principal Financial Officer thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents on the date set opposite the name below.

/s/ B. Kelson

-----  
Richard B. Kelson  
Executive Vice President and  
Chief Financial Officer

March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Senior Vice President and Controller of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON and DENIS A. DEMBLOWSKI, or either of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$1 billion of securities, including but not limited to, debt, convertible, common, preferred or hybrid securities of the Company, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Senior Vice President and Controller of the Company in the capacity of Principal Accounting Officer thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents on the date set opposite the name below.

/s/ Earnest J. Edwards

-----

Earnest J. Edwards  
Senior Vice President and Controller

March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Chairman of the Board and Chief Executive Officer of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$1 billion of securities, including but not limited to, debt, convertible, common, preferred or hybrid securities of the Company, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Chairman of the Board and Principal Executive Officer and/or Director thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the under signed hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents on the date set opposite the name below.

/s/ Paul H. O'Neill

-----  
Paul H. O'Neill  
Chairman of the Board and  
Chief Executive Officer

March 13, 1998

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the undersigned Director of Aluminum Company of America (the "Company") hereby constitutes and appoints RICHARD B. KELSON, EARNEST J. EDWARDS and DENIS A. DEMBLOWSKI, or any of them, his true and lawful attorneys and agents to do any and all acts and things and to execute any and all instruments which said attorneys and agents, or any of them, may deem necessary or advisable or may be required to enable the Company to comply with the Securities Act of 1933, as amended, and any rules, regulations or requirements of the Securities and Exchange Commission in respect thereof, in connection with the registration under said Act of up to \$1 billion of securities, including but not limited to, debt, convertible, common, preferred or hybrid securities of the Company, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the undersigned Director of the Company in the capacity of Director thereof to any registration statement to be filed with the Securities and Exchange Commission in respect of said securities, to any and all pre-effective amendments, post-effective amendments and supplements to any such registration statement, and to any instruments or documents filed as part of or in connection with any such registration statement or pre-effective amendments or post-effective amendments or supplements thereto; and the undersigned hereby ratifies and confirms all that said attorneys and agents, or any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents on the date set opposite the name below.

/s/ Hugh M. Morgan

-----

Hugh M. Morgan

May 22, 1998



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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

---

FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF  
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF  
A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_

---

THE CHASE MANHATTAN BANK  
(Exact name of trustee as specified in its charter)

NEW YORK 13-4994650  
(State of incorporation (I.R.S. employer  
if not a national bank) identification No.)

270 PARK AVENUE 10017  
NEW YORK, NEW YORK (Zip Code)  
(Address of principal executive offices)

William H. McDavid  
General Counsel  
270 Park Avenue  
New York, New York 10017  
Tel: (212) 270-2611  
(Name, address and telephone number of agent for service)

ALUMINUM COMPANY OF AMERICA  
(Exact name of obligor as specified in its charter)

PENNSYLVANIA 25-0317820  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification No.)

425 SIXTH AVENUE 15219-1850  
PITTSBURGH, PENNSYLVANIA (Zip Code)  
(Address of principal executive offices)

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DEBT SECURITIES OF ALUMINUM COMPANY OF AMERICA  
(Title of the indenture securities)

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GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York  
12110.

Board of Governors of the Federal Reserve System, Washington,  
D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty  
Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Chase Manhattan Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 10TH day of JULY, 1998.

THE CHASE MANHATTAN BANK

By /s/ Joanne Adamis

-----  
Joanne Adamis  
Second Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business March 31, 1998, in accordance  
with a call made by the Federal Reserve Bank of this District  
pursuant to the provisions of the Federal Reserve Act.

ASSETS	DOLLAR AMOUNTS IN MILLIONS
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin .....	\$ 12,037
Interest-bearing balances .....	4,054
Securities: .....	
Held to maturity securities .....	2,340
Available for sale securities .....	50,134
Federal funds sold and securities purchased under agreements to resell .....	24,982
Loans and lease financing receivables:	
Loans and leases, net of unearned income .....	\$127,958
Less: Allowance for loan and lease losses .....	2,797
Less: Allocated transfer risk reserve .....	0
Loans and leases, net of unearned income, allowance, and reserve .....	125,161
Trading Assets .....	61,820
Premises and fixed assets (including capitalized leases).....	2,961
Other real estate owned .....	347
Investments in unconsolidated subsidiaries and associated companies .....	242
Customers' liability to this bank on acceptances outstanding .....	1,380
Intangible assets .....	1,549
Other assets .....	11,727
	-----
TOTAL ASSETS .....	\$298,734 =====

LIABILITIES

Deposits		
In domestic offices .....		\$ 96,682
Noninterest-bearing .....	\$ 38,074	
Interest-bearing .....	58,608	
	-----	
In foreign offices, Edge and Agreement, subsidiaries and IBF's .....		72,630
Noninterest-bearing .....	\$ 3,289	
Interest-bearing .....	69,341	
Federal funds purchased and securities sold under agreements to repurchase .....		42,735
Demand notes issued to the U.S. Treasury .....		872
Trading liabilities .....		45,545
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):		
With a remaining maturity of one year or less .....		4,454
With a remaining maturity of more than one year through three years .....		231
With a remaining maturity of more than three years.....		106
Bank's liability on acceptances executed and outstanding .....		1,380
Subordinated notes and debentures .....		5,708
Other liabilities .....		11,295
TOTAL LIABILITIES .....		281,638
		-----

EQUITY CAPITAL

Perpetual preferred stock and related surplus .....		0
Common stock .....		1,211
Surplus (exclude all surplus related to preferred stock) .....		10,291
Undivided profits and capital reserves .....		5,579
Net unrealized holding gains (losses) on available-for-sale securities .....		(1)
Cumulative foreign currency translation adjustments .....		16
TOTAL EQUITY CAPITAL .....		17,096
		-----
TOTAL LIABILITIES AND EQUITY CAPITAL .....		\$ 298,734
		=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY            )  
 THOMAS G. LABRECQUE        ) DIRECTORS  
 WILLIAM B. HARRISON, JR.)

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

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FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF  
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF  
A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_

---

THE CHASE MANHATTAN BANK  
(Exact name of trustee as specified in its charter)

NEW YORK  
(State of incorporation  
if not a national bank)

13-4994650  
(I.R.S. employer  
identification No.)

270 PARK AVENUE  
NEW YORK, NEW YORK  
(Address of principal executive offices)

10017  
(Zip Code)

William H. McDavid  
General Counsel  
270 Park Avenue  
New York, New York 10017  
Tel: (212) 270-2611  
(Name, address and telephone number of agent for service)

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ALCOA TRUST I  
(Exact name of obligor as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

APPLIED FOR  
(I.R.S. employer  
identification No.)

425 SIXTH AVENUE, ALCOA BUILDING  
PITTSBURGH, PENNSYLVANIA  
(Address of principal executive offices)

15219-1850  
(Zip Code)

---

TRUST PREFERRED SECURITIES OF ALCOA TRUST I  
(Title of the indenture securities)

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GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York  
12110.

Board of Governors of the Federal Reserve System, Washington, D.C.,  
20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street,  
New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Chase Manhattan Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 10TH day of JULY, 1998.

THE CHASE MANHATTAN BANK

By /s/ Joanne Adamis

-----  
Joanne Adamis  
Second Vice President



Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business March 31, 1998, in  
accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS

DOLLAR AMOUNTS  
IN MILLIONS

Cash and balances due from depository institutions:		
Noninterest-bearing balances and		
currency and coin .....	\$	12,037
Interest-bearing balances .....		4,054
Securities: .....		
Held to maturity securities.....		2,340
Available for sale securities.....		50,134
Federal funds sold and securities purchased under		
agreements to resell .....		24,982
Loans and lease financing receivables:		
Loans and leases, net of unearned income	\$	127,958
Less: Allowance for loan and lease losses		2,797
Less: Allocated transfer risk reserve .....		0
	-----	
Loans and leases, net of unearned income,		
allowance, and reserve .....		125,161
Trading Assets .....		61,820
Premises and fixed assets (including capitalized		
leases).....		2,961
Other real estate owned .....		347
Investments in unconsolidated subsidiaries and		
associated companies.....		242
Customers' liability to this bank on acceptances		
outstanding .....		1,380
Intangible assets .....		1,549
Other assets .....		11,727
	-----	
TOTAL ASSETS .....		\$298,734
		=====

LIABILITIES

Deposits		
In domestic offices .....		\$96,682
Noninterest-bearing .....	\$38,074	
Interest-bearing .....	58,608	
-----		
In foreign offices, Edge and Agreement, subsidiaries and IBF'sd .....		72,630
Noninterest-bearing .....	\$ 3,289	
Interest-bearing .....	69,341	
Federal funds purchased and securities sold under agree- ments to repurchase .....		42,735
Demand notes issued to the U.S. Treasury .....		872
Trading liabilities .....		45,545
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):		
With a remaining maturity of one year or less .....		4,454
With a remaining maturity of more than one year through three years .....		231
With a remaining maturity of more than three years .....		106
Bank's liability on acceptances executed and outstanding .....		1,380
Subordinated notes and debentures .....		5,708
Other liabilities .....		11,295
 TOTAL LIABILITIES .....		 281,638
		-----

EQUITY CAPITAL

Perpetual preferred stock and related surplus .....		0
Common stock .....		1,211
Surplus (exclude all surplus related to preferred stock) .....		10,291
Undivided profits and capital reserves .....		5,579
Net unrealized holding gains (losses) on available-for-sale securities .....		(1)
Cumulative foreign currency translation adjustments .....		16
 TOTAL EQUITY CAPITAL .....		 17,096
		-----
TOTAL LIABILITIES AND EQUITY CAPITAL .....		\$ 298,734
		=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY            )  
 THOMAS G. LABRECQUE        ) DIRECTORS  
 WILLIAM B. HARRISON, JR.)

-----  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
-----

FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF  
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

-----  
CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF  
A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_  
-----

THE CHASE MANHATTAN BANK  
(Exact name of trustee as specified in its charter)

NEW YORK  
(State of incorporation  
if not a national bank)

13-4994650  
(I.R.S. employer  
identification No.)

270 PARK AVENUE  
NEW YORK, NEW YORK  
(Address of principal executive offices)

10017  
(Zip Code)

William H. McDavid  
General Counsel  
270 Park Avenue  
New York, New York 10017  
Tel: (212) 270-2611  
(Name, address and telephone number of agent for service)

-----  
ALUMINUM COMPANY OF AMERICA  
(Exact name of obligor as specified in its charter)

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

25-0317820  
(I.R.S. employer  
identification No.)

425 SIXTH AVENUE, ALOCA BUILDING  
PITTSBURGH, PENNSYLVANIA  
(Address of principal executive offices)

15219-1850  
(Zip Code)

-----  
GUARANTEE OF PREFERRED SECURITIES OF  
ALCOA TRUST I BY THE COMPANY  
(Title of the indenture securities)  
-----

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York  
12110.

Board of Governors of the Federal Reserve System, Washington, D.C.,  
20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street,  
New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Chase Manhattan Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 10TH day of JULY, 1998.

THE CHASE MANHATTAN BANK

By /s/ Joanne Adamis

-----

Joanne Adamis  
Second Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business March 31, 1998, in accordance  
with a call made by the Federal Reserve Bank of this District  
pursuant to the provisions of the Federal Reserve Act.

ASSETS

DOLLAR AMOUNTS  
IN MILLIONS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and	
currency and coin .....	\$ 12,037
Interest-bearing balances .....	4,054
Securities:	
Held to maturity securities .....	2,340
Available for sale securities .....	50,134
Federal funds sold and securities purchased under	
agreements to resell .....	24,982
Loans and lease financing receivables:	
Loans and leases, net of unearned income .....	\$127,958
Less: Allowance for loan and lease losses .....	2,797
Less: Allocated transfer risk reserve .....	0
	-----
Loans and leases, net of unearned income,	
allowance, and reserve .....	125,161
Trading Assets.....	61,820
Premises and fixed assets (including capitalized leases).....	2,961
Other real estate owned .....	347
Investments in unconsolidated subsidiaries and	
associated companies .....	242
Customers' liability to this bank on acceptances	
outstanding.....	1,380
Intangible assets.....	1,549
Other assets.....	11,727
	-----
TOTAL ASSETS.....	\$298,734
	=====

LIABILITIES

Deposits		
In domestic offices .....		\$ 96,682
Noninterest-bearing .....	\$38,074	
Interest-bearing .....	58,608	
	-----	
In foreign offices, Edge and Agreement, subsidiaries and IBF's .....		72,630
Noninterest-bearing .....	\$ 3,289	
Interest-bearing .....	69,341	
Federal funds purchased and securities sold under agree- ments to repurchase .....		
		42,735
Demand notes issued to the U.S. Treasury .....		872
Trading liabilities .....		45,545
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):		
With a remaining maturity of one year or less .....		4,454
With a remaining maturity of more than one year through three years .....		231
With a remaining maturity of more than three years.....		106
Bank's liability on acceptances executed and outstanding .....		1,380
Subordinated notes and debentures .....		5,708
Other liabilities .....		11,295
TOTAL LIABILITIES .....		281,638
		-----

EQUITY CAPITAL

Perpetual preferred stock and related surplus		0
Common stock .....		1,211
Surplus (exclude all surplus related to preferred stock) .....		10,291
Undivided profits and capital reserves .....		5,579
Net unrealized holding gains (losses) on available-for-sale securities .....		(1)
Cumulative foreign currency translation adjustments .....		16
TOTAL EQUITY CAPITAL .....		17,096
		-----
TOTAL LIABILITIES AND EQUITY CAPITAL .....		\$298,734
		=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY            )  
 THOMAS G. LABRECQUE        ) DIRECTORS  
 WILLIAM B. HARRISON, JR.)