UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 10, 2005

ALCOA INC.

(Exact name of Registrant as specified in its charter)

Pennsylvania	1-3610	25-0317820
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

201 Isabella Street, Pittsburgh, Pennsylvania	15212-5858
(Address of Principal Executive Offices)	(Zip Code)

Office of Investor Relations 212-836-2674
Office of the Secretary 412-553-4707
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Acceleration of Vesting of Stock Options

On November 11, 2005, the Compensation and Benefits Committee (the “Committee”) of the Board of Directors of Alcoa Inc. (“Alcoa”), after review by the Audit Committee and the full Board of Directors, approved accelerating the vesting to December 31, 2005 of 11 million unvested stock options granted to employees in 2004 and on January 13, 2005, including such options held by the executive officers named in Alcoa’s proxy statement dated February 22, 2005. The options to purchase Alcoa common stock were granted under the 2004 Alcoa Stock Incentive Plan (the “Plan”) and a predecessor plan (the Alcoa Stock Incentive Plan). The 2004 and 2005 accelerated options have weighted average exercise prices of $35.60 and $29.54, respectively, and in the aggregate represent approximately 12 percent of Alcoa’s total outstanding options. Under the original vesting schedule, the 2004 and 2005 stock options vest 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary of the grant date, and 1/3 on the third anniversary of the grant date.

The decision to accelerate the vesting of the 2004 and 2005 options was made primarily to avoid recognizing the related compensation cost in future financial statements upon the adoption of Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004) “Share-Based Payment”, which Alcoa will adopt on January 1, 2006 when it is required. Alcoa expects the accelerated vesting of the 2004 and 2005 stock options to reduce its pre-tax stock option compensation expense in 2006 by approximately $35 million and in 2007 by approximately $10 million. The company believes that because the options to be accelerated have exercise prices in excess of the current market price of the common stock, the options have limited economic value at this time and recognition of this expense could overstate the compensation value.

Amendments to 2004 Alcoa Stock Incentive Plan

On November 11, 2005, the Board of Directors approved two amendments to the Plan:

- an amendment to Section 6(c) of the Plan, providing that the minimum one-year vesting requirement for stock options does not apply to the stock options granted on January 13, 2005. The amendment is required in connection with the accelerated vesting of the 2005 stock options described above; and
- an administrative amendment to Section 14(d) of the Plan, eliminating the requirement that participants execute an agreement or other instrument evidencing an award. Under the amended provision, an award will be deemed to have been accepted upon its grant subject to all of the applicable terms and conditions of the award, unless the prospective recipient notifies Alcoa within 30 days of the grant that the prospective recipient does not accept the award. The purpose of the amendment is to reduce administrative complexity and reduce costs.

A copy of the Plan as amended through November 11, 2005 is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Updated Forms of Award Agreements under 2004 Alcoa Stock Incentive Plan and Implementation of Equity Choice Feature

On November 10, 2005, the Committee approved updated forms of award agreements (consisting of forms of certificates and terms and conditions) that will apply to stock options, stock awards, performance stock options, and performance share awards granted in January 2006 and future years to Alcoa executive officers and other eligible participants under the Plan. The terms and conditions described in the attached form of award agreement for performance shares also apply to the performance share awards granted in January 2005. The updated forms of award agreements are attached hereto as Exhibits 10.2, 10.3, 10.4, and 10.5, respectively, and are incorporated herein by reference.

In addition, attached hereto as Exhibit 10.6 and incorporated herein by reference is a "Summary Description of the Equity Choice Program for Performance Equity Award Participants". This summary describes a new equity choice feature as it will apply to Alcoa executive officers and other senior executives, effective for annual grants of stock-based awards under the Plan in 2006 and future years. The equity choice feature will allow eligible participants to choose, within prescribed parameters approved by the Committee, between different combinations of stock-based awards under the Plan.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b) and (c):

On November 14, 2005, Alcoa announced that Richard B. Kelson, Executive Vice President and Chief Financial Officer, has chosen to retire and Joseph C. Muscari, Executive Vice President – Alcoa and Group President, Rigid Packaging, Foil and Asia, will succeed him in that role, effective January 1, 2006. Mr. Kelson will become Chairman's Counsel in January 2006 and will continue to advise the company on the transition. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Required biographical information for Mr. Muscari, 59, is contained in the attached press release. Alcoa does not have an employment agreement with Mr. Muscari, except that the Change in Control Severance Plan and form of Executive Severance Agreement previously filed with the Securities and Exchange Commission and described in Alcoa's proxy statement dated February 22, 2005, apply to Muscari as a key executive of Alcoa and are incorporated herein by reference as Exhibits 99.2 and 99.3, respectively.

Item 8.01. Other Events.

In addition to the organization changes described under Item 5.02, on November 14, 2005, Alcoa announced that effective January 1, 2006, Helmut Wieser, Vice President – Alcoa and Group President, Mill Products Europe/North America, will become an Executive Vice President of the company and will assume responsibility for the can sheet and hard alloy extrusion businesses and will oversee the company's business in the Asia Pacific region, with a focus on China and the Australian rolled products business. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Also, on November 14, 2005, Alcoa announced that it has agreed to sell its Southern Graphic Systems, Inc., packaging design and imaging business to Citigroup Venture Capital Equity Partners, LP for approximately $410 million. A copy of the press release is attached hereto as Exhibit 99.4 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following are filed as exhibits to this report:

10.1	2004 Alcoa Stock Incentive Plan, as amended through November 11, 2005.
10.2	Form of Award Agreement for Stock Options, effective January 1, 2006.
10.3	Form of Award Agreement for Stock Awards, effective January 1, 2006.
10.4	Form of Award Agreement for Performance Share Awards, effective January 1, 2006.
10.5	Form of Award Agreement for Performance Stock Options, effective January 1, 2006.
10.6	Summary Description of Equity Choice Program for Performance Equity Award Participants, dated November 2005.
99.1	Alcoa Inc. press release dated November 14, 2005 relating to organization changes.
99.2	Alcoa Inc. Change in Control Severance Plan, incorporated by reference to exhibit 10(z) to the company's Annual Report on Form 10-K for the year ended December 31, 2001.
99.3	Form of Executive Severance Agreement between Alcoa Inc. and Eligible Key Executives, incorporated by reference to exhibit 10(a) to the company's Current Report on Form 8-K, dated December 23, 2004.
99.4	Alcoa Inc. press release dated November 14, 2005 relating to Southern Graphic Systems, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALCOA INC.

By: /s/ Lawrence R. Purtell

Lawrence R. Purtell
Executive Vice President and
General Counsel

Dated: November 16, 2005

EXHIBIT INDEX

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EXHIBIT 10.1

2004 ALCOA STOCK INCENTIVE PLAN

(as amended effective November 11, 2005)

[Alcoa logo]

2004 ALCOA STOCK INCENTIVE PLAN

SECTION 1. PURPOSE. The purposes of the 2004 Alcoa Stock Incentive Plan are to encourage selected employees of the Company and its Subsidiaries to acquire a proprietary and vested interest in the long-term growth and financial success of the Company, to generate an increased incentive to promote its well-being and profitability, to link the interests of such employees to the long-term interests of shareholders and to enhance the ability of the Company and its Subsidiaries to attract and retain individuals of exceptional managerial, technical and professional talent upon whom, in large measure, the sustained progress, growth and profitability of the Company depend.

SECTION 2. DEFINITIONS. As used in the Plan, the following terms have the meanings set forth below:

"Award" means any Option, Stock Appreciation Right, Contingent Stock Award, Performance Share, Performance Unit, Other Stock Unit Award, or any other right, interest, or option relating to Shares or other property granted pursuant to the provisions of the Plan.

"Award Agreement" means any written agreement, contract, or other instrument or document evidencing any Award granted by the Committee hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

"Beneficial Owner" means beneficial owner as defined in Rule 13d-3 under the Exchange Act.

"Board" means the Board of Directors of the Company.

"Change in Control" means the first to occur of any of the following events:

(a) An Entity, other than a trustee or other fiduciary of securities held under an employee benefit plan of the Company or any of its Subsidiaries, is or becomes a Beneficial Owner, directly or indirectly, of stock of the Company representing 20% or more of the total voting power of the Company's then outstanding stock and securities; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction that complies with clauses (i) or (ii) of subsection (c) of this definition;

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board"), cease for any reason to constitute a majority thereof; provided, however, that any individual becoming a director whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least 75% of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Entity other than the Board;

(c) there is consummated a merger, consolidation or other corporate transaction, other than (i) a merger, consolidation or transaction that would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving Entity or any parent thereof) at least 55% of the combined voting power of the stock and securities of the Company or such surviving Entity or any parent thereof outstanding immediately after such merger, consolidation or transaction, or (ii) a merger, consolidation or transaction effected to implement a recapitalization of the Company (or similar transaction) in which no Entity is or becomes the Beneficial Owner, directly or indirectly, of stock and securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding stock and securities;

(d) the sale or disposition by the Company of all or substantially all of the Company's assets other than a sale or disposition by the Company of all or substantially all of the assets to an Entity at least 55% of the combined voting power of the stock and securities of which is owned by Persons in substantially the same proportions as their ownership of the Company's voting stock immediately prior to such sale; or

(e) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.

"Change in Control Price" means the higher of (a) the highest reported sales price, regular way, of a Share in any transaction reported on the New York Stock Exchange Composite Tape or other national exchange on which Shares are listed or on NASDAQ during the 60-day period prior to and including the date of a Change in Control or (b) if the Change in Control is the result of a tender or exchange offer or a merger, consolidation or other corporate transaction, the highest price per Share paid in such tender or exchange offer or corporate transaction. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration shall be determined in the sole discretion of the Board.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

“Committee” means the Compensation and Benefits Committee of the Board, or any successor to such committee, or a subcommittee thereof, composed of no fewer than two directors, each of whom is a Non-Employee Director and an “outside director” within the meaning of Section 162(m) of the Code, or any successor provision thereto.

“Company” means Alcoa Inc., a Pennsylvania corporation.

“Contingent Stock” means any Share issued with the contingency or restriction that the holder may not sell, transfer, pledge or assign such Share and with such other contingencies or restrictions as the Committee, in its sole discretion, may impose (including, without limitation, any contingency or restriction on the right to vote such Share and the right to receive any cash dividends), which contingencies and restrictions may lapse separately or in combination, at such time or times, in installments or otherwise, as the Committee may deem appropriate.

“Contingent Stock Award” means an award of Contingent Stock under Section 8 hereof.

“Covered Employee” means a “covered employee” within the meaning of Section 162(m)(3) of the Code, or any successor provision thereto.

“Employee” means any employee of the Company or of any Subsidiary.

“Entity” means any individual, entity, person (within the meaning of Section 3(a)(9) of the Exchange Act) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than (a) any employee plan established by the Company, (b) any affiliate (as defined in Rule 12b-2 promulgated under the Exchange Act) of the Company, (c) an underwriter temporarily holding securities pursuant to an offering of such securities, or (d) a corporation owned, directly or indirectly, by shareholders of the Company in substantially the same proportions as their ownership of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, with respect to any property, the market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

“Non-Employee Director” has the meaning set forth in Rule 16b-3(b)(3) under the Exchange Act, or any successor definition adopted by the Securities and Exchange Commission.

“Option” means any right granted to a Participant under the Plan or predecessor plan allowing such Participant to purchase Shares at such price or prices and during such period or periods as the Committee shall determine. All Options granted under the Plan or predecessor plan are intended to be nonqualified stock options for purposes of the Code.

“Other Stock Unit Award” means any right granted to a Participant by the Committee pursuant to Section 10 hereof.

“Original Option” means any Option other than a Reload Option granted by the company in connection with the Prior Plan or the predecessor plan.

“Participant” means an Employee who is selected by the Committee to receive an Award under the Plan.

“Performance Award” means any Award of Performance Shares or Performance Units pursuant to Section 9 hereof.

“Performance Period” means that period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are to be measured. A Performance Period may not be less than one year.

“Performance Share” means any grant pursuant to Section 9 hereof of a unit valued by reference to a designated number of Shares, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, Shares or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee shall establish at the time of such grant or thereafter.

“Performance Unit” means any grant pursuant to Section 9 hereof of a unit valued by reference to a designated amount of property other than Shares, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, Shares or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee shall establish at the time of such grant or thereafter.

“Person” means any individual, corporation, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.

“Plan” means this 2004 Alcoa Stock Incentive Plan.

“Prior Plan” means the Alcoa Stock Incentive Plan adopted by the Company shareholders at the Company’s 1999 annual meeting.

“Reload Option” means an Option described in Section 6(e) of the Plan, granted in connection with the exercise of an option under the Prior Plan or predecessor plan (an “antecedent award”). As a condition to the grant of a Reload Option, a Participant must elect at the time of exercise of the antecedent award that a designated portion, as determined by the Committee, of the Shares issued upon exercise of the antecedent award shall be restricted in terms of transfer for the shorter of five years from the issuance date of the shares or the remainder of the participant’s career with Alcoa.

“Shares” means the shares of common stock of the Company, $1.00 par value.

“Stock Appreciation Right” means any right granted to a Participant pursuant to Section 7 hereof to receive, upon exercise by the Participant, the excess of (a) the Fair Market Value of one Share on the date of exercise or, if the Committee shall so determine, at any time during a specified period before the date of exercise over (b) the grant price of the right on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee in its sole discretion, which, except in the case of Substitute Awards or in connection with an adjustment provided in Section 4(g), shall not be less than the Fair Market Value of one Share on such date of grant of the right or the related Option, as the case may be. Any payment by the Company in respect of such right may be made in cash, Shares, other property or any combination thereof, as the Committee, in its sole discretion, shall determine.

“Subsidiary” means any corporation in which the Company owns, directly or indirectly, stock possessing 50 percent or more of the total combined voting power of all classes of stock in such corporation, and any corporation, partnership, joint venture, limited liability company or other business entity as to which the Company possesses a significant ownership interest, directly or indirectly, as determined by the Committee.

“Substitute Awards” means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or any of its Subsidiaries or with which the Company or any of its Subsidiaries combines.

SECTION 3. ADMINISTRATION. The Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to: (i) select the Employees of the Company and its Subsidiaries to whom Awards may from time to time be granted hereunder; (ii) determine the type or types of Award to be granted to each Participant hereunder; (iii) determine the number of Shares to be covered by each Award granted hereunder; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (v) determine whether, to what extent and under what circumstances Awards may be settled in cash, Shares or other property or canceled or suspended; (vi) determine whether, to what extent and under what circumstances cash, Shares and other property and other amounts payable with respect to an Award under this Plan shall be deferred either automatically or at the election of the Participant; (vii) interpret and administer the Plan and any instrument or agreement entered into under the Plan; (viii) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan. Decisions of the Committee shall be final, conclusive and binding upon all persons, including the Company, any Participant, any shareholder and any Employee.

SECTION 4. SHARES SUBJECT TO THE PLAN.

(a) Subject to the adjustment provisions of Section 4(g) below and the provisions of Section 4(b) through (f), commencing May 1, 2004, up to 30 million Shares may be issued in connection with Options and Stock Appreciation Rights under the Plan.

(b) In addition to the Shares authorized by Section 4(a), the following Shares may be issued under the Plan:

(i) Shares available for future awards under the Prior Plan as of the effective date of this Plan, and any shares that are not issued under the Prior Plan because of the cancellation, termination or expiration of awards under the Prior Plan or the predecessor plan.

(ii) If a Participant tenders, or has withheld, Shares in payment of all or part of the option price under a stock option granted under the Plan, the Prior Plan, or the predecessor plan, or in satisfaction of withholding tax obligations thereunder, the Shares tendered by the Participant or so withheld shall become available for issuance under the Plan.

(iii) If Shares that are issued under the Plan are subsequently forfeited in accordance with the terms of the Award or an Award Agreement, the forfeited Shares shall become available for issuance under the Plan.

(c) Subject to the adjustment provisions of Section 4(g), commencing May 1, 2004, up to 10 million Shares may be issued under Awards other than Options and Stock Appreciation Rights.

(d) If an Award may be paid only in Shares or in either cash or Shares, the Shares shall be deemed to be issued hereunder only when and to the extent that payment is actually made in Shares. However, the Committee may authorize a cash payment under an Award in lieu of Shares if there are insufficient Shares available for issuance under the Plan.

(e) Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

(f) Shares issued or granted in connection with Substitute Awards shall not reduce the Shares available for issuance under the Plan or to a Participant in any calendar year.

(g) In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Shares, such adjustments and other substitutions shall be made to the Plan and to Awards as the Committee in its sole discretion deems equitable or appropriate, including, without limitation, such adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan, in the aggregate or to any one Participant, in the number, class, kind and option or exercise price of securities subject to outstanding Options, Stock Appreciation Rights or other Awards granted under the Plan, and in the number, class and kind of securities subject to Awards granted under the Plan (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of, or other awards denominated in the shares of, another company) as the Committee may determine to be appropriate in its sole discretion; provided that the number of Shares subject to any Award shall always be a whole number.

SECTION 5. ELIGIBILITY. Any Employee shall be eligible to be selected as a Participant.

SECTION 6. STOCK OPTIONS. Options may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan. Any Option granted under the Plan may be evidenced by an Award Agreement in such form as the Committee from time to time approves. Any such Option shall be subject to the terms and conditions required by this Section 6 and to such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee may deem appropriate in each case.

(a) Option Price. The purchase price per Share purchasable under an Option shall be determined by the Committee in its sole discretion; provided that, except in connection with an adjustment provided for in Section 4(g), such purchase price shall not be less than the Fair Market Value of the Share on the date of the grant of the Option.

(b) Option Period. The term of each Original Option granted hereunder shall not exceed six years from the date the Option is granted.

(c) Exercisability. Options shall be exercisable at such time or times as determined by the Committee at or subsequent to grant, provided, however, that the minimum vesting period of an Option (excluding the Options granted on January 13, 2005) shall be one year.

(d) Method Of Exercise. Subject to the other provisions of the Plan, any Option may be exercised by the Participant in whole or in part at such time or times, and the Participant may make payment of the Option price in such form or forms, including, without limitation, payment by delivery of cash, Shares or other consideration (including, where permitted by law and the Committee, Awards) having a Fair Market Value on the exercise date equal to the total Option price, or by any combination of cash, Shares and other consideration as the Committee may specify in the applicable Award Agreement.

(e) Reload Options. A Reload Option entitles the Participant to purchase Shares (i) that are covered by an antecedent award at the time of its exercise, but are not issued upon such exercise, or (ii) whose aggregate grant price equals the purchase price of the exercised antecedent award and any related tax withholdings. The grant price per Share of the Reload Option shall be the Fair Market Value per Share at the time of grant. The duration of a Reload Option shall not extend beyond the expiration date of the antecedent award. No Options with a reload feature can be granted under the Plan in 2004 or anytime thereafter. Options and Reload Options granted under the Prior Plan or predecessor plan in 2002, or prior thereto, will be eligible for grant of a

Reload Option only once on and after January 1, 2004, which grant of a Reload Option must occur anytime prior to the expiration of the antecedent award. For Original Options granted under the Prior Plan in 2003, only that portion of the grant that vests in 2004 will be eligible for grant of only one Reload Option, which grant must occur on or before December 31, 2004.

(f) Transferability of Options. Notwithstanding the provisions of Section 14(a) of the Plan, at the discretion of the Committee and in accordance with rules it establishes from time to time, Participants may be permitted to transfer some or all of their Options to one or more "family members" as such term is defined in Form S-8 (or any successor form) promulgated under the Securities Act of 1933, as amended.

SECTION 7. STOCK APPRECIATION RIGHTS. Stock Appreciation Rights may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan and may, but need not, relate to a specific Option granted under Section 6. The provisions of Stock Appreciation Rights need not be the same with respect to each recipient. Any Stock Appreciation Right related to an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option. In the case of any Stock Appreciation Right related to any Option, the Stock Appreciation Right or applicable portion thereof shall terminate and no longer be exercisable upon the termination or exercise of the related Option, except that a Stock Appreciation Right granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the Stock Appreciation Right. Any Option related to any Stock Appreciation Right shall no longer be exercisable to the extent the related Stock Appreciation Right has been exercised. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it shall deem appropriate.

SECTION 8. CONTINGENT STOCK

(a) Issuance. A Contingent Stock Award shall be subject to contingencies or restrictions imposed by the Committee during a period of time specified by the Committee (the "Contingency Period"). Contingent Stock Awards may be issued hereunder to Participants, for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Contingent Stock Awards need not be the same with respect to each recipient.

(b) Registration. Any Contingent Stock issued hereunder may be evidenced in such manner as the Committee in its sole discretion shall deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Contingent Stock awarded under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, contingencies and restrictions applicable to such Award.

(c) Forfeiture. Except as otherwise determined by the Committee at the time of grant or thereafter, upon termination of employment for any reason during the Contingency Period, all Shares of Contingent Stock still subject to any contingency or restriction shall be forfeited by the Participant and reacquired by the Company. Noncontingent Shares, evidenced in such manner as the Committee shall deem appropriate, shall be issued to the Participant promptly after the Contingency Period, as determined or modified by the Committee, shall expire.

(d) Minimum Vesting Condition. The minimum Contingency Period applicable to any Contingent Stock Award that is not subject to performance conditions restricting transfer shall be three (3) years from the date of grant; provided, however, that a Contingency Period of less than three (3) years may be approved for such Awards with respect to up to 200,000 Shares under the Plan.

SECTION 9. PERFORMANCE AWARDS. Performance Awards may be granted hereunder to Participants, for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The performance criteria to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Award. Except as provided in Section 11, Performance Awards will be paid only after the end of the relevant Performance Period. Performance Awards may be paid in cash, Shares, other property or any combination thereof in the sole discretion of the Committee at the time of payment. The performance levels to be achieved for each Performance Period and the amount of the Award to be paid shall be conclusively determined by the Committee. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis.

SECTION 10. OTHER STOCK UNIT AWARDS.

(a) Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("Other Stock Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee shall determine. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Employees of the Company and its Subsidiaries to whom, and the time or times at which, such Awards shall be made, the number of Shares to be granted pursuant to such Awards and all other conditions of the Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each recipient.

(b) Subject to the provisions of this Plan and any applicable Award Agreement, Awards and Shares subject to Awards granted under this Section 10, may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the Shares are issued, or, if later, the date on which any applicable contingency, restriction, performance or deferral period lapses. For any Award or Shares subject to any Award granted under this Section 10 the transferability of which is conditioned only on the passage of time, such restriction period shall be a minimum of three (3) years. Shares (including securities convertible into Shares) subject to

Awards granted under this Section 10 may be issued for no cash consideration or for such minimum consideration as may be required by applicable law. Shares (including securities convertible into Shares) purchased pursuant to a purchase right granted under this Section 10 thereafter shall be purchased for such consideration as the Committee shall in its sole discretion determine, which shall not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted.

SECTION 11. CHANGE IN CONTROL PROVISIONS.

(a) Impact of Event. Notwithstanding any other provision of the Plan to the contrary, unless the Committee shall determine otherwise at the time of grant with respect to a particular Award, in the event of a Change in Control:

(i) any Options and Stock Appreciation Rights outstanding as of the date such Change in Control is determined to have occurred, and which are not then exercisable and vested, shall become fully exercisable and vested to the full extent of the original grant;

(ii) the contingencies, restrictions and deferral limitations applicable to any Contingent Stock shall lapse, and such Contingent Stock shall become free of all contingencies, restrictions and limitations and become fully vested and transferable to the full extent of the original grant;

(iii) all Performance Awards shall be considered to be earned and payable at the target amount of Shares covered by the Award, to the extent that the Change in Control occurs during the Performance Period, or at the calculated award level, to the extent that the Change in Control occurs after the Performance Period, and shall be immediately settled or distributed. Any deferral, contingency or other restriction applicable to such Performance Awards shall lapse; and

(iv) the contingencies, restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards shall lapse, and such Other Stock Unit Awards or such other Awards shall become free of all contingencies, restrictions, limitations or conditions and become fully vested and transferable to the full extent of the original grant; and

(v) the restrictions applicable to any Shares received in connection with the grant of a Reload Option shall lapse and such Shares shall be freely and fully transferable.

(b) Change In Control Settlement. Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Change in Control Election Period"), a Participant holding an Option or Stock Appreciation Right shall have the right, whether or not the Option or Stock Appreciation Right is fully exercisable and in lieu of the payment of the purchase price for the Shares being purchased under the Option or Stock Appreciation Right and by giving notice to the Company, to elect (within the Change in Control Election Period) to surrender all or part of the Option or Stock Appreciation Right to the

Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price per Share on the date of such election shall exceed the purchase price per Share under the Option or Stock Appreciation Right multiplied by the number of Shares granted under the Option or Stock Appreciation right as to which the right granted under this Section 11(b) shall have been exercised.

(c) Other Forms of Settlement. The foregoing provisions of this Section 11 shall not preclude other forms of settlement of outstanding Awards in the event of a Change in Control, including a conversion or exchange of Awards for awards or securities of any person that is a party to or initiates the Change in Control transaction; provided that no Participant shall be required to accept any such substituted or exchanged award or security without such Participant's written consent.

SECTION 12. CODE SECTION 162(m) PROVISIONS.

(a) Notwithstanding any other provision of this Plan, if the Committee determines at the time Contingent Stock, a Performance Award or an Other Stock Unit Award is granted to a Participant that such Participant is, or is likely to be as of the end of the tax year in which the Company would claim a tax deduction in connection with such Award, a Covered Employee, then the Committee may provide that this Section 12 is applicable to such Award.

(b) If an Award is subject to this Section 12, then the lapsing of contingencies or restrictions thereon and the distribution of cash, Shares or other property pursuant thereto, as applicable, shall be subject to the achievement by the Company or any Subsidiary, or any division or business unit thereof, as appropriate, of one or more objective performance goals established by the Committee, which shall be based on the attainment of specified levels of one or any combination of the following: cumulative net income or cumulative net income per share during the performance period; return on sales; return on assets; return on capital; return on shareholders' equity; cash flow; economic value added; cumulative operating income; total shareholders' return; cost reductions; or achievement of environment, health & safety goals of the Company or the Subsidiary or business unit of the Company for or within which the Participant is primarily employed. Performance goals may be based upon the attainment of specified levels of Company, Subsidiary or unit performance under one or more of the measures described above relative to the performance of other comparator companies or groups of companies, and may include a threshold level of performance below which no Award will be earned, levels of performance at which an Award will become partially earned, and a level of performance at which an Award will be fully earned. Performance goals shall be set by the Committee within the time period prescribed by, and shall otherwise comply with, the requirements of Section 162(m) of the Code, or any successor provision thereto, and the regulations thereunder.

(c) Notwithstanding any provision of this Plan other than Section 11, with respect to any Award that is subject to this Section 12, the Committee may adjust downwards, but not upwards, the amount payable pursuant to such Award, and the Committee may not waive the achievement of the applicable performance goals.

(d) The Committee shall have the power to impose such other restrictions on Awards subject to this Section 12 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, or any successor provision thereto.

(e) Notwithstanding any provision of this Plan other than Section 4(g), no Participant may be granted Options and/or Stock Appreciation Rights in any calendar year with respect to more than two million (2,000,000) Shares, or Contingent Stock Awards or Performance Share Awards covering more than 300,000 Shares. The maximum dollar value payable with respect to Performance Units and/or Other Stock Unit Awards that are valued with reference to property other than Shares and granted to any Participant in any one calendar year is $2,000,000.

SECTION 13. AMENDMENTS AND TERMINATION. The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval if: (x) such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Board deems it necessary or desirable to qualify or comply; or (y) a proposed amendment or alteration would materially increase the benefits accruing to Participants, materially increase the maximum number of shares which may be issued under the Plan or materially modify the Plan's eligibility requirements: or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary so as to have the Plan conform to local rules and regulations in any jurisdiction outside the United States.

The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any Participant without his or her consent. Notwithstanding any provision of this Plan, the Committee may not amend the terms of any Option to reduce the option price, nor amend the terms of any Contingent Stock Award or Other Stock Unit Award to reduce the minimum vesting period specified therein.

SECTION 14. GENERAL PROVISIONS.

(a) Nontransferability of Awards. Unless the Committee determines otherwise at the time the Award is granted or thereafter, and except for transfers of Options permitted by Section 6(f) of the Plan: (i) no Award, and no Shares subject to Awards described in Section 10 that have not been issued, or as to which any applicable contingency, restriction, performance or deferral period has not lapsed, may be sold, assigned, transferred, pledged or otherwise encumbered, except by will or by the laws of descent and distribution; provided that, if so determined by the Committee, a Participant may, in the manner established by the Committee, designate a beneficiary to exercise the rights of the Participant with respect to any Award upon the death of the Participant, and (ii) each Award shall be exercisable, during the Participant's lifetime, only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative.

(b) Award Term. Except to the extent already established in Section 6 (b), the term of each Award shall be for such period of months or years from the date of its grant as may be determined by the Committee.

(c) Award Entitlement. No Employee or Participant shall have any claim to be granted any Award under the Plan and there is no obligation for uniformity of treatment of Employees or Participants under the Plan.

(d) Terms and Conditions of Award. The prospective recipient of any Award under the Plan shall be deemed to have become a Participant subject to all the applicable terms and conditions of the Award upon the grant of the Award to the prospective recipient, unless the prospective recipient notifies the Company within 30 days of the grant that the prospective recipient does not accept the Award.

(e) Award Adjustments. Except as provided in Section 12, the Committee shall be authorized to make adjustments in Performance Award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect.

(f) Committee Right to Cancel. The Committee shall have full power and authority to determine whether, to what extent and under what circumstances any Award shall be canceled or suspended. In particular, but without limitation, all outstanding Awards to any Participant shall be canceled if the Participant, without the consent of the Committee, while employed by the Company or after termination of such employment, becomes associated with, employed by, renders services to or owns any interest in (other than any nonsubstantial interest, as determined by the Committee) any business that is in competition with the Company or with any business in which the Company has a substantial interest as determined by the Committee or otherwise takes any action that in the judgment of the Committee is not in the best interests of the Company.

(g) Stock Certificate Legends. All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed and any applicable Federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(h) Compliance with Securities Laws. No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other laws to which such offer, if made, would be subject.

(i) Award Deferrals; Dividends. The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred. Subject to the provisions of the Plan and any Award Agreement, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, cash dividends, or cash payments in amounts equivalent to cash dividends on Shares (“Dividend Equivalents”), with respect to the number of Shares covered by the Award, as determined by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested.

(j) Consideration for Awards. Except as otherwise required in any applicable Award Agreement or by the terms of the Plan, recipients of Awards under the Plan shall not be required to make any payment or provide consideration other than the rendering of services.

(k) Delegation of Authority by Committee. The Committee may delegate to one or more executive officers (as that term is defined in Rule 3b-7 under the Exchange Act) or a committee of executive officers the right to grant Awards to Employees who are not executive officers or directors of the Company and to cancel or suspend Awards to Employees who are not executive officers or directors of the Company.

(l) Withholding Taxes. The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. The Committee shall be authorized to establish procedures for election by Participants to satisfy such obligations for the payment of such taxes by delivery of or transfer of Shares to the Company or by directing the Company to retain Shares otherwise deliverable in connection with the Award.

(m) Other Compensatory Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(n) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the Commonwealth of Pennsylvania and applicable Federal law.

(o) Severability. If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

(p) Awards to NonU.S. Employees. Awards may be granted to Employees who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligation with respect to tax equalization for Employees on assignments outside their home countries.

(q) Repricing Prohibited. The repricing of Options or Stock Appreciation Right Awards under the Plan is expressly prohibited. "Repricing" means the grant of a new Option, Stock Appreciation Right or other Award in consideration of the exchange, cancellation or forfeiture of an Award that has a higher grant price than the new Award or the amendment of an outstanding Award to reduce the grant price; provided, that the grant of a Substitute Award shall not be considered to be repricing.

SECTION 15. TERM OF PLAN. The Plan shall be effective as of May 1, 2004. No Award shall be granted pursuant to the Plan after April 30,2009, but any Award theretofore granted may extend beyond that date.

SECTION 16. TERMINATION OF PRIOR PLAN. No stock options or other awards may be granted under the Prior Plan or any predecessor plan after April 30, 2004, but all such awards theretofore granted shall extend for the full stated terms thereof and be administered under this Plan.

ALCOA INC.

STOCK OPTION AWARD CERTIFICATE

Alcoa Inc. (the “Company”) has on [DATE] granted to

[NAME]	**[EMPLOYEE ID NUMBER]**
(Name)	(EMPLOYEE ID)

(“Participant”), the option to purchase [NUMBER] shares of common stock of the Company at the option grant price of $[   ] per share, based upon the following terms:

1. This stock option is granted under the provisions of the 2004 Alcoa Stock Incentive Plan, as last amended prior to the date above (the “Plan”), and is subject to the provisions of the Plan and the applicable Terms and Conditions for the grant (the “Governing Documents”).
2. This stock option grant vests on [DATE or DATES], if the Participant is still an active employee of the Company or any of its controlled subsidiaries or affiliates, subject to the further provisions set forth in the Governing Documents.
3. This stock option grant expires [NUMBER] years after the date of the grant, unless earlier terminated under the terms of the Governing Documents.

Issued in Pittsburgh, Pennsylvania on the date set forth above.

ALCOA INC.

TERMS AND CONDITIONS FOR STOCK OPTION AWARDS

Effective January 1, 2006

These terms and conditions are authorized by the Compensation and Benefits Committee of the Board of Directors. They are deemed to be incorporated into and form a part of every stock option awarded under the 2004 Alcoa Stock Incentive Plan, as last amended prior to the grant (the "Plan") on or after January 1, 2006, unless the Award certificate provides otherwise.

Terms that are defined in the Plan have the same meanings in these terms and conditions, except that Alcoa or Company means Alcoa Inc. or any of its controlled subsidiaries or affiliates.

General Terms and Conditions

1. Stock option awards are subject to the terms and conditions set forth in the Award certificate, the provisions of the Plan and the provisions of these terms and conditions.

2. The grant price per share of a stock option is 100% of the fair market value per share of Alcoa Inc. common stock ("Stock") on the date of grant, unless the Award certificate specifies a higher grant price. The date of grant is the date selected by the Committee as the date of grant or, if no date is selected, the date on which the option is awarded.

3. Except as provided in the following subsection of this paragraph, "fair market value" per share of Stock on any given date is the mean of the high and low trading prices per share of Stock on that date as reported on the New York Stock Exchange or other stock exchange on which the Stock then principally trades. If the New York Stock Exchange or such other exchange is not open for business on the date fair market value is being determined, the mean of the high and low trading prices as reported for the next preceding day on which that exchange was open for business will be used.

- The fair market value per share on the exercise date of an option is the price at which shares that were or will be issued to the Participant in connection with the option exercise are sold by the Participant on the exercise date in the open market. This subsection has no application if the Participant is not selling shares in the open market on the option exercise date.

Vesting and Exercisability

4. As a condition to exercise of a stock option award, a Participant must remain an Alcoa employee actively at work until the date the option vests. If an option vests as to some but not all shares covered by the option, the Participant must be an active employee on the date the relevant portion of the option vests. Except as provided in paragraph 5 below, if the Participant's employment with Alcoa terminates prior to the vesting date of the option (or relevant option portion), the option (or relevant option portion) is forfeited and is automatically canceled.

- An option vests on the first anniversary of its grant date, unless the Committee specifies a different vesting period with respect to all or a portion of the shares subject to the option. The Award certificate evidencing an original option grant sets forth the vesting provisions that are applicable to that grant.

5. The following are exceptions to the vesting rules:

- An option held by a Participant who dies while an employee vests immediately but can be exercised by a legal representative or beneficiary only in accordance with the original vesting schedule.
- An option vests and becomes exercisable immediately upon certain Change in Control events described in the Plan.
- A Reload Option vests immediately but is not exercisable until at least 6 months after its grant date.
- An option held by a Participant who retires under a Company, subsidiary or government retirement plan at least 6 months after the grant date is not forfeited. Such option vests in accordance with the original vesting schedule of the grant.

6. No option may be exercised after its stated termination date or prior to the date it vests or, in the case of death or retirement, the date it would have vested in accordance with its original vesting schedule.

7. Vested options that were issued under the Plan and are held by Participants who, at least six months after the grant date, retire under a Company, subsidiary or government retirement plan in which the Participant is eligible for immediate payment of a retirement benefit will be exercisable for the remaining stated terms of the options (after the expiration of any original vesting schedule periods applicable to such options) or, if the Participant dies after retiring, 5 years from the date of the Participant's death, whichever occurs first.

8. Options held by a Participant who dies while in the employ of Alcoa may be exercised by the Participant's legal representative or beneficiary beginning after the expiration of any stated period of vesting applicable to such options and ending 5 years after the Participant's death, but not later than the expiration date of the option.

9. Vested, exercisable options held by a Participant whose employment with the Company terminates (other than as a result of the Participant's retirement, death, or as provided in paragraph 10 below) may be exercised only within a period of 90 days after the date of employment termination, but not later than the expiration date of the option.

10. As determined at the Company CEO's discretion, if an unvested stock option award is held by a Participant identified by the Company to be terminated from employment with the Company or a subsidiary as a result of a divestiture of a business or a portion of a business of the Company or a subsidiary and the Participant either becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of the closing, or the Participant is not offered employment with the entity acquiring the business and is terminated by the Company or a subsidiary of the Company within 90 days of the closing of the sale, then vested, exercisable options held by such Participant on the date of the closing may be exercised within a period of two years from the date the Participant's employment with the Company or a subsidiary is terminated, but not later than the expiration date of the option. For purposes of this paragraph, employment by "the entity acquiring the business" includes employment by a subsidiary or affiliate of the entity acquiring the business; and "divestiture of a business" means the sale of assets or stock resulting in the sale of a going concern. "Divestiture of a business" does not include a plant shut down or other termination of a business.

Option Exercise

11. A vested, exercisable option is exercised when a notification of exercise, signed or delivered by the Participant, is received by the Plan administrator.

Payment of Exercise Price and Withholding Taxes

12. Payment in full of the purchase price of an option is due on the exercise date. Payment of the option purchase price may be made:

- in cash (including a "broker-assisted cash exercise" described in the next paragraph); or
- by the delivery or presentation to the Company of shares of Stock that have been owned by the Participant for the Minimum Holding Period (as defined below) and that have an aggregate fair market value on the date of exercise, which, together with any cash payment, equals or exceeds the option purchase price.

13. A Participant may elect to pay the cash purchase price of the option through a "broker-assisted cash exercise," using a broker reasonably acceptable to the Company. On or prior to the exercise date, the Participant must deliver to the Company the Participant's instruction directing and obligating the broker to (a) sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the option and (b) remit to the Company a sufficient portion of the sale proceeds to pay the entire purchase price and any tax withholding resulting from the exercise. Such proceeds are due not later than the third trading day after the exercise date.

14. Shares of Stock owned by a Participant include (a) those registered in the Participant's name (or registered jointly with another person), (b) those held in a brokerage account owned by the Participant individually or jointly with another person, and (c) those held in a trust, partnership, limited partnership or other entity for the benefit of the Participant individually (or for the benefit of the Participant jointly with another person). Notwithstanding the foregoing, Shares of Stock owned by a Participant do not include shares held in any qualified plan, IRA or similar tax deferred arrangement or shares that are otherwise subject to potential accounting limitations regarding their use in stock swap transactions. The Company may require verification or proof of ownership or length of ownership of any shares delivered in payment of the purchase price of an option.

15. The term "Minimum Holding Period" means 6 months or such other period, if any, as qualifies as the measurement period for "mature shares" under applicable generally accepted accounting principles. In calculating the number of shares available for delivery to pay the purchase price of an option, shares acquired upon exercise of a stock option (including any shares delivered or exchanged to pay the purchase price thereof or withholding taxes thereon) shall be disregarded until expiration of the Minimum Holding Period after exercise.

16. All taxes required to be withheld under applicable tax laws in connection with a Participant's receipt of Stock upon exercise of a stock option must be paid over by the

Participant, in cash, immediately upon advice, unless the Participant complies with the following paragraphs regarding payment using shares of Stock.

17. A Participant may satisfy his or her obligation to pay required United States' federal, state or local withholding taxes due upon such exercise by having Alcoa withhold from the shares of Stock to be issued upon the exercise that number of shares whose fair market value on the exercise date equals the withholding amount to be paid. Withholding taxes include applicable income taxes, federal and state unemployment compensation taxes and FICA/FUTA taxes.

18. The amount of taxes that may be paid by a Participant using shares of Stock retained from the option exercise will be determined by applying the minimum rates required by applicable tax regulations.

19. The election to use Stock to satisfy a Participant's withholding obligation must be made, in writing, not later than at the time of exercise of the stock option.

Beneficiaries

20. Participants will be entitled to designate one or more beneficiaries to receive all stock option awards that are unexercised at the time of the Participant's death. All beneficiary designations will be on a beneficiary designation form approved for the Plan. Copies of the form are available from the Plan administrator.

21. Beneficiary designations on an approved form will be effective at the time received by the Plan administrator. A Participant may revoke a beneficiary designation at any time by written notice to the Plan administrator or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.

22. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.

23. On the beneficiary designation form, it is recommended that the Participant's signature be witnessed by two persons. However, no person named as a beneficiary on the form should sign as a witness. If the Participant is married at the time the beneficiary designation form is filed, then, unless the Participant's spouse is the sole beneficiary named on the form, it is recommended that the spouse also sign. The spouse's signature should be notarized.

24. The failure of any Participant to obtain any recommended signature on the form will not invalidate the beneficiary designation or prohibit Alcoa from treating such

designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any option award prior to the death of the Participant who designated such beneficiary.

25. Unless the Participant indicates on the form that a named beneficiary is to receive unexercised options only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled and required to join in the exercise of the option. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such option awards.

26. Should a beneficiary die after the Participant but before the option is exercised, such beneficiary's rights and interest in the option award will be transferable by last will and testament of the beneficiary or the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a stock option award, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the form, beneficiaries designated by class (such as "children," "grandchildren" etc.) will be deemed to refer to the members of the class living at the time of the Participant's death, and all members of the class will be deemed to take "per capita."

Transferable Options

27. Only options that have been designated as options which may be transferred by Participants to family members ("transferable options") will be transferable by Participants during the term of the option, subject to and in accordance with the provisions of the following paragraphs.

28. Transferable options may be transferred to one or more immediate family members, individually or jointly. Immediate family members shall be deemed to include the Participant's spouse, parents, siblings, children, grandchildren and the spouse of any parent, sibling, child or grandchild, in each case determined at the effective time of transfer. A trust, each of whose beneficiaries is the Participant or an immediate family member, will be deemed to be a family member for purposes of these rules.

29. A transfer shall be effective on the date written notice thereof, on a form approved for this purpose, is received by the Plan administrator. As a condition to transfer, the Participant shall agree to remain responsible to pay in cash the applicable taxes due upon exercise of the option by the transferee. The Participant or the Participant's estate will be required to provide sufficient evidence of ability to pay such taxes upon the Company's request.

30. A transfer shall be irrevocable; no subsequent transfer by the transferee shall be effective. Notwithstanding the foregoing, a transferee shall be entitled to designate a beneficiary in accordance with the provisions of paragraphs 20 through 26 above. Except where a beneficiary has been designated, in the event of death of the transferee prior to option exercise, the transferee's option will be transferable by last will and testament of the beneficiary or the laws of descent and distribution.

31. Except as modified by the provisions of paragraphs 27 through 30, all terms applicable to option exercises by Participants are applicable to exercises by transferees. The Plan administrator may make and publish additional rules applicable to exercises by transferees not inconsistent with these provisions.

Exhibit 10.3

ALCOA INC.

STOCK AWARD CERTIFICATE

Alcoa Inc. (the “Company”) has on [DATE] granted to

[NAME]	**[EMPLOYEE ID NUMBER]**
(Name)	(Employee ID)

(“Participant”), a stock award of [NUMBER] units, based upon the following terms:

1. This stock award is granted under the provisions of the 2004 Alcoa Stock Incentive Plan, as last amended prior to the date above (the “Plan”), and is subject to the provisions of the Plan and the applicable Terms and Conditions for the grant (the “Governing Documents”).
2. This stock award grant vests on [DATE] if the Participant is still an active employee of the Company or any of its controlled subsidiaries or affiliates, subject to the further provisions set forth in the Governing Documents.
3. Company common stock is issued when the award vests.

Issued in Pittsburgh, Pennsylvania on the date set forth above.

ALCOA INC.

TERMS AND CONDITIONS FOR STOCK AWARDS

Effective January 1, 2006

These terms and conditions are authorized by the Compensation and Benefits Committee of the Board of Directors. They are deemed to be incorporated into and form a part of every Stock Award issued under the 2004 Alcoa Stock Incentive Plan, as last amended prior to the grant (the "Plan") on or after January 1, 2006, unless the Award certificate provides otherwise.

Terms that are defined in the Plan have the same meanings in these terms and conditions, except that Alcoa or Company means Alcoa Inc. or any of its controlled subsidiaries or affiliates.

General Terms and Conditions

1. Stock Awards are subject to the provisions of the Plan, the provisions of these terms and conditions and the provisions of the Award certificate. A Stock Award is an undertaking by the Company to issue the number of shares of Alcoa common stock ("Stock") indicated in the Award certificate on the date the Award vests, except to the extent otherwise provided herein.

Vesting and Payment

2. A Stock Award vests on the third anniversary date of the date of grant, unless the Committee establishes another date for vesting with respect to all or a portion of the shares subject to the Award at the time of the grant of the Award.
3. As a condition to a Stock Award vesting, a Participant must remain an Alcoa employee actively at work through the date of vesting. Except to the extent otherwise provided herein, if the Participant's employment with Alcoa terminates prior to the vesting date of the Stock Award, the Award is forfeited and is automatically canceled.
4. Awards will be paid by the issuance to the Participant of shares of Stock equal in number to the number of shares covered by the Award, as set forth on the face of the Stock Award certificate. Prior to issuance of the Stock, the Participant has no voting rights or rights to receive dividends with respect to shares covered by the Stock Award. However, prior to issuance of the Stock, the Committee may authorize the payment of cash dividend equivalents. Such amounts, if authorized, will be equal to the common stock dividend per share payable on Alcoa common stock multiplied

by the number of shares covered by the Award. Dividend equivalents will be paid as part of a Participant's salary at approximately the time of payment of regular Alcoa common stock dividends.

5. A. The three year cliff vesting schedule continues to apply to a Stock Award in the following situations:

   (i) A Stock Award held by a Participant who, anytime after 6 months from the Award's grant date, retires under a Company, subsidiary or government retirement plan in which the Participant is eligible for immediate payment of a retirement benefit, is not forfeited but vests on the original stated vesting date set forth on the face of the Award certificate.

   (ii) A Stock Award held by a Participant who dies while an employee is not forfeited but vests on the original stated vesting date set forth on the face of the Award certificate.

   (iii) As determined at the Company CEO's discretion, if an unvested Stock Award is held by a Participant identified by the Company to be terminated from employment with the Company or a subsidiary as a result of the divestiture of a business or portion of a business of the Company or a subsidiary and the Participant either becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of closing, or the Participant is not offered a job by the entity acquiring the business and is terminated by the Company or a subsidiary within 90 days of the closing of the sale, then the three-year cliff vesting schedule continues to apply. For purposes of this paragraph, employment by "the entity acquiring the business" includes employment by a subsidiary or affiliate of the entity acquiring the business; and "divestiture of a business" means the sale of assets or stock resulting in the sale of a going concern. "Divestiture of a business" does not include a plant shut down or other termination of a business.

   B. A Stock Award vests immediately upon certain Change in Control events described in the Plan. The Award is payable and shares of Stock become issuable immediately upon the occurrence of such Change in Control events.

6. All taxes required to be withheld under applicable tax laws in connection with a Participant's receipt of Stock issued in connection with the Stock Award must be paid by the Participant at the time the Award vests and shares of Stock with respect to the Award become issuable.

7. A Participant’s obligation to pay required United States federal, state or local withholding taxes in connection with his or her receipt of Stock will be satisfied by Alcoa’s withholding from the shares of Stock to be issued upon payment of the Stock Award that number of shares whose fair market value on the vesting date equals the withholding amount to be paid. Withholding taxes include applicable income taxes, federal and state unemployment compensation taxes and FICA/FUTA taxes.

8. The amount of taxes to be paid by a Participant using shares of Stock retained from the shares then issuable in connection with the Stock Award will be determined by applying the minimum rates required by applicable tax regulations.

9. “Fair market value” per share of Stock on any given date is the mean of the high and low trading prices per share of Stock on that date as reported on the New York Stock Exchange or other stock exchange on which the Stock then principally trades. If the New York Stock Exchange or such other exchange is not open for business on the date fair market value is being determined, the mean of the high and low trading prices as reported for the next preceding day on which that exchange was open for business will be used.

Beneficiaries

10. Participants will be entitled to designate one or more beneficiaries to receive all Stock Awards that have not yet vested at the time of death of the Participant. All beneficiary designations will be on beneficiary designation forms approved for the Plan. Copies of the form are available from the Plan administrator.

11. Beneficiary designations on an approved form will be effective at the time received by the Plan administrator. A Participant may revoke a beneficiary designation at any time by written notice to the Plan administrator or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.

12. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.

13. On the beneficiary designation form, it is recommended that the Participant’s signature be witnessed by two persons. However, no person named as a beneficiary on the form should sign as a witness. If the Participant is married at the time the beneficiary designation form is filed, then unless the Participant’s spouse is the sole beneficiary named on the form, it is recommended that the spouse also sign. The spouse’s signature should be notarized.

14. The failure of any Participant to obtain any recommended signature on the form will not invalidate the beneficiary designation or prohibit Alcoa from treating such designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any Stock Award prior to the death of the Participant who designated such beneficiary.

15. Unless the Participant indicates on the form that a named beneficiary is to receive Stock Awards only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled to share equally in the Stock Award upon vesting. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such Stock Awards.

16. Should a beneficiary die after the Participant but before the Stock Award is paid, such beneficiary's rights and interest in the Award will be transferable by the beneficiary's last will and testament or by the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a Stock Award, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the form, beneficiaries designated by class (such as "children," "grandchildren" etc.) will be deemed to refer to the members of the class living at the time of the Participant's death, and all members of the class will be deemed to take "per capita."

17. Stock Awards are not transferable except as otherwise provided herein to a beneficiary.

ALCOA INC.

PERFORMANCE SHARE AWARD CERTIFICATE

Alcoa Inc. (the "Company") has on [DATE] granted to

[NAME]	**[EMPLOYEE ID NUMBER]**
(Name)	(Employee ID)

("Participant"), a performance share award of [NUMBER] units, contingent on achievement of corporate performance goals, based upon the following terms:

1. This performance share award is granted under the provisions of the 2004 Alcoa Stock Incentive Plan, as last amended prior to the date above (the "Plan"), and is subject to the provisions of the Plan and the applicable Terms and Conditions for the grant (the "Governing Documents").
2. This performance share award grant vests, if at all, on [DATE] if the Participant is still an active employee of the Company or any of its controlled subsidiaries or affiliates, subject to the further provisions set forth in the Governing Documents.
3. Company common stock, if any, is issued when the award vests.

Issued in Pittsburgh, Pennsylvania on the date set forth above.

ALCOA INC.

TERMS AND CONDITIONS FOR PERFORMANCE SHARE AWARDS

Effective January 1, 2006

These terms and conditions are authorized by the Compensation and Benefits Committee of the Board of Directors. They are deemed to be incorporated into and form a part of every Performance Share Award issued under the 2004 Alcoa Stock Incentive Plan as last amended prior to the grant (the “Plan”) on or after January 1, 2006, unless the Award certificate relating to the grant provides otherwise.

Terms that are defined in the Plan have the same meanings in these terms and conditions, except that Alcoa or Company means Alcoa Inc. or any of its controlled subsidiaries or affiliates.

General Terms and Conditions

1. Performance Share Awards are subject to the provisions of the Plan, the provisions set forth in the Participant’s Award certificate relating to the grant and these terms and conditions.

2. A Performance Share Award is a commitment by the Company to issue, on the third anniversary date of the date of the grant of the Award, from 0 to 200% of the number of shares of Alcoa common stock (“Stock”) indicated in the Participant’s Award certificate relating to the grant based on Alcoa’s return on capital (“ROC”) relative to the median return on capital of the Company’s selected external comparator group during the performance period (the first year of the three-year vesting period). A minimum earned award of 60% of the original grant will be provided if the Company’s ROC meets or exceeds its cost of capital for the performance period. Awards may be adjusted as deemed appropriate in the Committee’s business judgment. Alcoa common stock, if any, will not be issued until the Award vests. The provisions of these terms and conditions, including this paragraph 2, apply to Performance Share Awards granted in 2005 as well as future grants.

3. The exact amount of Stock to be received under this Performance Share Award, if any, will be determined no later than 18 months after the grant date, and such determination will be made in accordance with the following schedule:

Alcoa's ROC as a Percentage of Median ROC for the Comparator Group	Performance Share Award Payout % (Payouts are prorated between levels)
50%	0.0%
60%	20.0%
70%	40.0%
80%	60.0%
90%	80.0%
100%	100.0%
110%	120.0%
120%	140.0%
130%	160.0%
140%	180.0%
150%+	200.0%

As indicated above, a minimum earned award of 60% of the original grant will be provided if the Company's ROC meets or exceeds its cost of capital for the performance period.

Vesting and Payment

4. A Performance Share Award will vest on the third anniversary date of the date of grant, unless the Committee establishes a later date for vesting with respect to all or a portion of the shares subject to the Award at the time of the grant of the Award.

5. As a condition to a Performance Share Award vesting, a Participant must remain an Alcoa employee actively at work through the date of vesting. Except to the extent otherwise provided herein, if the Participant's employment with Alcoa terminates prior to the vesting date of the Performance Share Award, the Award is forfeited and is automatically canceled.

6. Prior to issuance of Stock upon vesting, the Participant has no voting rights or rights to receive dividends with respect to shares covered by the Performance Share Award. However, prior to issuance of any Stock, the Committee may authorize the payment of cash dividend equivalents. Such amounts, if authorized, will be equal to the common stock dividend per share payable on Alcoa common stock multiplied by: (i) during the first 12 – 18 months following the date of grant, the number of shares covered by the Award and specified in the Award certificate, or (ii) after the exact amount of Stock to be received under the grant by the Participant, if any, is determined

in accordance with paragraph 3 above, the exact number of shares to be received by the Participant upon vesting. Dividend equivalents will be paid as part of a Participant's salary at approximately the time of payment of regular Alcoa common stock dividends.

7. A. The three year cliff vesting schedule continues to apply to a Performance Share Award in the following situations:

(i) A Performance Share Award held by a Participant who, anytime after 6 months from the Award's grant date, retires under a Company, subsidiary or government retirement plan in which the Participant is eligible for immediate payment of a retirement benefit, is not forfeited but vests on the original stated vesting date set forth in the Award certificate.

(ii) A Performance Share Award held by a Participant who dies while an employee is not forfeited but vests on the original stated vesting date set forth in the Award certificate.

(iii) As determined at the Company CEO's discretion, if an unvested Performance Share Award is held by a Participant identified by the Company to be terminated from employment with the Company or a subsidiary as a result of the divestiture of a business or portion of a business of the Company or a subsidiary, and the Participant either becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of closing, or the Participant is not offered a job by the entity acquiring the business and is terminated by the Company or a subsidiary within 90 days of the closing of the sale, then the three-year cliff vesting schedule continues to apply. For purposes of this paragraph, employment by "the entity acquiring the business" includes employment by a subsidiary or affiliate of the entity acquiring the business; and "divestiture of a business" means the sale of assets or stock resulting in the sale of a going concern. "Divestiture of a business" does not include a plant shut down or other termination of a business.

B. Upon certain Change in Control events described in the Plan, all contingencies and restrictions shall lapse, the Performance Share Award shall be considered to be earned and payable and the Award shall be immediately settled or distributed. If the Change in Control event occurs before the actual number of shares to be received by the Participant based on performance results can be determined pursuant to paragraph 3 above, the Performance Share Award shall be settled at the amount reflected in the Award certificate. If the Change in Control event occurs after the actual number of shares, if any, to be received by the Participant can be determined pursuant to paragraph 3 above, the Performance Share Award shall be settled at the exact number of shares that would have been received by the Participant upon vesting.

8. All taxes required to be withheld under applicable tax laws in connection with a Participant's receipt of Stock issued in connection with the Performance Share Award must be paid by the Participant at the time the Award vests and shares of Stock with respect to the Award become issuable.

9. A Participant's obligation to pay required United States' federal, state or local withholding taxes in connection with his or her receipt of Stock will be satisfied by Alcoa's withholding from the shares of Stock to be issued upon payment of the Performance Share Award that number of shares whose fair market value on the vesting date equals the withholding amount to be paid. Withholding taxes include applicable income taxes, federal and state unemployment compensation taxes and FICA/FUTA taxes.

10. The amount of taxes to be paid by a Participant using shares of Stock retained from the shares then issuable in connection with the Performance Share Award will be determined by applying the minimum rates required by applicable tax regulations.

11. "Fair market value" per share of Stock on any given date is the mean of the high and low trading prices per share of Stock on that date as reported on the New York Stock Exchange or other stock exchange on which the Stock then principally trades. If the New York Stock Exchange or such other exchange is not open for business on the date fair market value is being determined, the mean of the high and low trading prices as reported for the next preceding day on which that exchange was open for business will be used.

Beneficiaries/Transferability

12. Participants will be entitled to designate one or more beneficiaries to receive all Performance Share Awards that have not yet vested at the time of death of the Participant. All beneficiary designations will be on beneficiary designation forms approved for the Plan. Copies of the form are available from the Plan administrator.

13. Beneficiary designations on an approved form will be effective at the time received by the Plan administrator. A Participant may revoke a beneficiary designation at any time by written notice to the Plan administrator or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.

14. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.

15. On the beneficiary designation form, it is recommended that the Participant’s signature be witnessed by two persons. However, no person named as a beneficiary on the form should sign as a witness. If the Participant is married at the time the beneficiary designation form is filed, then unless the Participant’s spouse is the sole beneficiary named on the form, it is recommended that the spouse also sign. The spouse’s signature should be notarized.

16. The failure of any Participant to obtain any recommended signature on the form will not invalidate the beneficiary designation or prohibit Alcoa from treating such designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any Performance Share Award prior to the death of the Participant who designated such beneficiary.

17. Unless the Participant indicates on the form that a named beneficiary is to receive Performance Share Awards only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled to share equally in the Performance Share Award upon vesting. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such Performance Share Awards.

18. Should a beneficiary die after the Participant but before the Performance Share Award is paid, such beneficiary’s rights and interest in the Award will be transferable by the beneficiary’s last will and testament or by the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a Performance Share Award, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the form, beneficiaries designated by class (such as “children,” “grandchildren” etc.) will be deemed to refer to the members of the class living at the time of the Participant’s death, and all members of the class will be deemed to take “per capita.”

19. Performance Share Awards are not transferable except as otherwise provided herein to a beneficiary.

ALCOA INC.

PERFORMANCE STOCK OPTION AWARD CERTIFICATE

Alcoa Inc. (the "Company") has on [DATE] granted to

[NAME]	**[EMPLOYEE ID NUMBER]**
(Name)	(EMPLOYEE ID)

("Participant"), the option to purchase [NUMBER] shares of common stock of the Company at the option grant price of $[   ] per share, contingent on achievement of corporate performance goals, based upon the following terms:

1. This performance stock option is granted under the provisions of the 2004 Alcoa Stock Incentive Plan, as last amended prior to the date above (the "Plan"), and is subject to the provisions of the Plan and the applicable Terms and Conditions for the grant (the "Governing Documents").
2. This performance stock option grant vests, if at all, on [DATE or DATES], if the Participant is still an active employee of the Company or any of its controlled subsidiaries or affiliates, subject to the further provisions set forth in the Governing Documents.
3. Contingent on achievement of specified corporate performance levels, this certificate also represents a commitment by the Company to grant a stock award to the Participant at the end of the performance period, as more fully described in and subject to the provisions of the Governing Documents.
4. This performance stock option grant expires [NUMBER] years after the date of the grant, unless earlier terminated under the terms of the Governing Documents.

Issued in Pittsburgh, Pennsylvania on the date set forth above.

ALCOA INC.

TERMS AND CONDITIONS FOR PERFORMANCE STOCK OPTION AWARDS

Effective January 1, 2006

These terms and conditions are authorized by the Compensation and Benefits Committee of the Board of Directors. They are deemed to be incorporated into and form a part of every performance stock option awarded under the 2004 Alcoa Stock Incentive Plan, as last amended prior to the grant (the "Plan"), on or after January 1, 2006, unless the Award certificate relating to the grant provides otherwise.

Terms that are defined in the Plan have the same meanings in these terms and conditions, except that Alcoa or Company means Alcoa Inc. or any of its controlled subsidiaries or affiliates.

General Terms and Conditions

1. Performance stock option awards are subject to the provisions of the Plan, the provisions set forth in the Participant's Award certificate relating to the grant, and the provisions of these terms and conditions. A performance stock option grant provides a Participant with an opportunity to earn from 0% to 200% of the number of options (except as explained in the next sentence) indicated in the Participant's Award certificate relating to the grant based on Alcoa's return on capital ("ROC") relative to the median return on capital of the Company's selected external comparator group during the performance period (the first year of the three-year vesting period). If performance results in a payout in excess of 100%, the additional payout will be made in the form of a stock award grant instead of stock options, based on an exchange ratio of one stock award for every four performance stock options. Such stock award would vest, in whole, on the 3rd anniversary of the grant date of the performance stock options to which they relate. A minimum earned award of 60% of the original grant will be provided if the Company's ROC meets or exceeds its cost of capital for the performance period. Awards may be adjusted as deemed appropriate in the Committee's business judgment.
2. The grant price per share of a performance stock option is 100% of the fair market value per share of Alcoa Inc. common stock ("Stock") on the date of grant, unless the Award certificate relating to the grant specifies a higher grant price. The date of grant is the date selected by the Committee as the date of grant or, if no date is selected, the date on which the performance stock option is awarded.

3. Except as provided in the following subsection of this paragraph, “fair market value” per share of Stock on any given date is the mean of the high and low trading prices per share of Stock on that date as reported on the New York Stock Exchange or other stock exchange on which the Stock then principally trades. If the New York Stock Exchange or such other exchange is not open for business on the date fair market value is being determined, the mean of the high and low trading prices as reported for the next preceding day on which that exchange was open for business will be used.

   - The fair market value per share on the exercise date of a performance stock option is the price at which shares that were or will be issued to the Participant in connection with the option exercise are sold by the Participant on the exercise date in the open market. This subsection has no application if the Participant is not selling shares in the open market on the option exercise date.

Vesting and Exercisability

4. The exact amount of options or stock awards to be received under this performance stock option grant will be determined no later than 18 months after the grant date and such determination will made in accordance with the following schedule:

Alcoa’s ROC as a Percentage of Median ROC for the Comparator Group	**Performance Stock Option Payout % (Payouts are prorated between levels)**
50%	0.0%
60%	20.0%
70%	40.0%
80%	60.0%
90%	80.0%
100%	100.0%
110%	120.0%
120%	140.0%
130%	160.0%
140%	180.0%
150%+	200.0%

A minimum earned award of 60% of the original grant will be provided if the Company’s ROC meets or exceeds its cost of capital for the performance period. If performance results in a payout in excess of 100%, the additional payout will be made in the form of a new stock award grant (to be evidenced by a stock award certificate to be issued to the Participant at the time of grant), based on an exchange ratio of one stock award for every four performance stock options. Such stock award would vest, in whole, on the 3rd anniversary of the grant date of the performance stock options to which they relate. If performance results in a payout below 100%, the number of performance stock options below the earned/actual payout percentage will be automatically canceled.

Illustration of Payout Based on Performance	**Performance Stock Options**	**Stock Awards**
Initial Grant	17,000	—
Actual Payout		
80% of Payout	13,600	—
100% of Payout	17,000	—
120% of Payout	17,000	850

5. As a condition to exercise of a performance stock option award, a Participant must remain an Alcoa employee actively at work until the date the performance stock option vests. If a performance stock option vests as to some but not all shares covered by the performance stock option, the Participant must be an active employee on the date the relevant portion of the performance stock option vests. Except as provided below, if the Participant's employment with Alcoa terminates prior to the vesting date of the performance stock option (or relevant performance stock option portion), the performance stock option (or relevant performance stock option portion) is forfeited and is automatically canceled.

   - A performance stock option vests 14 months after the grant date as to one-third of the options granted, two years after the grant date as to one-third of the options granted, and three years from the grant date as to one-third of the options granted, unless the Committee specifies a different vesting period with respect to all or a portion of the shares subject to the option. The Award certificate relating to the grant sets forth the vesting provisions that are applicable to that grant.

6. The following are exceptions to the vesting rules:

   - A performance stock option held by a Participant who dies while an employee vests immediately but can be exercised by a legal representative or beneficiary only in accordance with the original vesting schedule.
   - A performance stock option vests and becomes exercisable immediately upon certain Change in Control events described in the Plan.

- A performance stock option held by a Participant who retires under a Company, subsidiary or government retirement plan at least 6 months after the grant date is not forfeited. Such performance stock option vests in accordance with the original vesting schedule of the grant.

7. No performance stock option may be exercised after its stated termination date or prior to the date it vests or, in the case of death or retirement, the date it would have vested in accordance with its original vesting schedule.

8. Vested performance stock options that were issued under the Plan and are held by Participants who, at least six months after the grant date, retire under a Company, subsidiary or government retirement plan in which the Participant is eligible for immediate payment of a retirement benefit will be exercisable for the remaining stated terms of the performance stock options (after the expiration of any original vesting schedule periods applicable to such options) or, if the Participant dies after retiring, 5 years from the date of the Participant's death, whichever occurs first.

9. Performance stock options held by a Participant who dies while in the employ of Alcoa may be exercised by the Participant's legal representative or beneficiary beginning after the expiration of any stated period of vesting applicable to such performance stock options and ending 5 years after the Participant's death, but not later than the expiration date of the performance stock option.

10. Vested, exercisable performance stock options held by a Participant whose employment with the Company terminates (other than as a result of the Participant's retirement, death, or as provided in paragraph 11 below) may be exercised only within a period of 90 days after the date of employment termination, but not later than the expiration date of the performance stock option.

11. As determined at the Company CEO's discretion, if (a) the Company identifies a Participant to be terminated from employment with the Company or a subsidiary of the Company as a result of a divestiture of a business or a portion of a business and (b) the Participant becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of the closing, or the Participant is not offered employment with the entity acquiring the business and is terminated by the Company or a subsidiary of the Company within 90 days of the closing of the sale, then vested, exercisable performance stock options held

by such Participant on the date of the closing may be exercised within a period of two years from the date the Participant's employment with the Company or a subsidiary of the Company is terminated, but not later than the expiration date of the performance stock option. For purposes of this paragraph, employment by "the entity acquiring the business" includes employment by a subsidiary or affiliate of the entity acquiring the business; and "divestiture of a business" means the sale of assets or stock resulting in the sale of a going concern. "Divestiture of a business" does not include a plant shut down or other termination of a business.

Performance Stock Option Exercise

12. A vested, exercisable performance stock option is exercised when a notification of exercise, signed or delivered by the Participant, is received by the Plan's administrator.

Payment of Exercise Price and Withholding Taxes

13. Payment in full of the purchase price of a performance stock option is due on the exercise date. Payment of the option purchase price may be made:
    - in cash (including a "broker-assisted cash exercise" described in the next paragraph); or
    - by the delivery or presentation to the Company of shares of Stock that have been owned by the Participant for the Minimum Holding Period (as defined below) and that have an aggregate fair market value on the date of exercise, which, together with any cash payment, equals or exceeds the performance stock option purchase price.
14. A Participant may elect to pay the cash purchase price of the performance stock option through a "broker-assisted cash exercise," using a broker reasonably acceptable to the Company. On or prior to the exercise date, the Participant must deliver to the Company the Participant's instruction directing and obligating the broker to (a) sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the performance stock option and (b) remit to the Company a sufficient portion of the sale proceeds to pay the entire purchase price and any tax withholding resulting from the exercise. Such proceeds are due not later than the third trading day after the exercise date.

15. Shares of Stock owned by a Participant include (a) those registered in the Participant's name (or registered jointly with another person), (b) those held in a brokerage account owned by the Participant individually or jointly with another person, and (c) those held in a trust, partnership, limited partnership or other entity for the benefit of the Participant individually (or for the benefit of the Participant jointly with another person). Notwithstanding the foregoing, Shares of Stock owned by a Participant do not include shares held in any qualified plan, IRA or similar tax deferred arrangement or shares that are otherwise subject to potential accounting limitations regarding their use in stock swap transactions. The Company may require verification or proof of ownership or length of ownership of any shares delivered in payment of the purchase price of a performance stock option.
16. The term "Minimum Holding Period" means 6 months or such other period, if any, as qualifies as the measurement period for "mature shares" under applicable generally accepted accounting principles. In calculating the number of shares available for delivery to pay the purchase price of a performance stock option, shares acquired upon exercise of a performance stock option (including any shares delivered or exchanged to pay the purchase price thereof or withholding taxes thereon) shall be disregarded until expiration of the Minimum Holding Period after exercise.
17. All taxes required to be withheld under applicable tax laws in connection with a Participant's receipt of Stock upon exercise of a performance stock option must be paid over by the Participant, in cash, immediately upon advice, unless the Participant complies with the following paragraphs regarding payment using shares of Stock.
18. A Participant may satisfy his or her obligation to pay required United States' federal, state or local withholding taxes due upon such exercise by having Alcoa withhold from the shares of Stock to be issued upon the exercise that number of shares whose fair market value on the exercise date equals the withholding amount to be paid. Withholding taxes include applicable income taxes, federal and state unemployment compensation taxes and FICA/FUTA taxes.
19. The amount of taxes that may be paid by a Participant using shares of Stock retained from the performance stock option exercise will be determined by applying the minimum rates required by applicable tax regulations.
20. The election to use Stock to satisfy a Participant's withholding obligation must be made, in writing, not later than at the time of exercise of the performance stock option.

Reload Options

21. No performance stock option grants will include a reload feature.

Beneficiaries

22. Participants will be entitled to designate one or more beneficiaries to receive all performance stock option awards that are unexercised at the time of the Participant's death. All beneficiary designations will be on a beneficiary designation form approved for the Plan. Copies of the form are available from the Plan's administrator.
23. Beneficiary designations on an approved form will be effective at the time received by the Plan's administrator. A Participant may revoke a beneficiary designation at any time by written notice to the Plan's administrator or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.
24. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.
25. On the beneficiary designation form, it is recommended that the Participant's signature be witnessed by two persons. However, no person named as a beneficiary on the form should sign as a witness. If the Participant is married at the time the beneficiary designation form is filed, then, unless the Participant's spouse is the sole beneficiary named on the form, it is recommended that the spouse also sign. The spouse's signature should be notarized.
26. The failure of any Participant to obtain any recommended signature on the form will not invalidate the beneficiary designation or prohibit Alcoa from treating such designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any performance stock option award prior to the death of the Participant who designated such beneficiary.
27. Unless the Participant indicates on the form that a named beneficiary is to receive unexercised performance stock options only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled and required to join in the exercise of the performance stock option. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such performance stock option awards.

28. Should a beneficiary die after the Participant but before the performance stock option is exercised, such beneficiary's rights and interest in the performance stock option award will be transferable by last will and testament of the beneficiary or the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a performance stock option award, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the form, beneficiaries designated by class (such as "children," "grandchildren" etc.) will be deemed to refer to the members of the class living at the time of the Participant's death, and all members of the class will be deemed to take "per capita."

Transferable Performance Stock Options

29. Only performance stock options that have been designated as performance stock options which may be transferred by Participants to family members ("transferable performance stock options") will be transferable by Participants during the term of the performance stock option, subject to and in accordance with the provisions of the following paragraphs.

30. Transferable performance stock options may be transferred to one or more immediate family members, individually or jointly. Immediate family members shall be deemed to include the Participant's spouse, parents, siblings, children, grandchildren and the spouse of any parent, sibling, child or grandchild, in each case determined at the effective time of transfer. A trust, each of whose beneficiaries is the Participant or an immediate family member, will be deemed to be a family member for purposes of these rules.

31. A transfer shall be effective on the date written notice thereof, on a form approved for this purpose, is received by the Plan's administrator. As a condition to transfer, the Participant shall agree to remain responsible to pay in cash the applicable taxes due upon exercise of the performance stock option by the transferee. The Participant or the Participant's estate will be required to provide sufficient evidence of ability to pay such taxes upon the Company's request.

32. A transfer shall be irrevocable; no subsequent transfer by the transferee shall be effective. Notwithstanding the foregoing, a transferee shall be entitled to designate a beneficiary in accordance with the provisions of paragraphs 22-28 above. Except where a beneficiary has been designated, in the event of death of the transferee prior to performance stock option exercise, the transferee's

performance stock option will be transferable by last will and testament of the beneficiary or the laws of descent and distribution.

33. Except as modified by the provisions of paragraphs 29-32, all terms applicable to performance stock option exercises by Participants are applicable to exercises by transferees. The Plan's administrator may make and publish additional rules applicable to exercises by transferees not inconsistent with these provisions.

Exhibit 10.6

2004 Alcoa Stock Incentive Plan

Equity Choice Program

(Performance Equity Award Participants)

Contents

This booklet describes features of the 2004 Alcoa Stock Incentive Plan (Plan). The Plan document, award certificates, and terms and conditions of each award control the Plan's operation. If there are any differences between this booklet and the official Plan document and terms and conditions of each award, the Plan document and terms and conditions of each award will control. Alcoa reserves the right to change or terminate the Plan or the terms of existing stock incentive awards at any time for any reason. Participation in the Plan does not give anyone the right to continued employment with Alcoa.

You are encouraged to read the prospectus and consult a personal tax advisor or financial planner about individual stock incentive award strategies and tax planning issues.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

As of November, 2005

Introduction and Overview

What is *Equity Choice*?

Alcoa's 2004 Stock Incentive Plan (Plan) is designed to provide senior leaders with financial rewards based on both individual and company performance. The Equity Choice program enhances the value of the Plan's long-term stock-based incentives by providing greater individual flexibility - as requested by senior leaders - and makes Alcoa's long-term incentive compensation more competitive in the global marketplace.

Equity Choice allows you to choose between different combinations of equity vehicles for your annual grants under the Plan to better suit your personal needs. Prior to the end of each year, you will make an election that will apply to the annual grant issued early in the following year. This annual process gives you more control over how you receive your stock-based incentive compensation and greater ability to tailor the rewards to your own personal preferences. (Note that the ability to make an election does not guarantee that you will receive an actual grant.)

How ***Equity Choice*** Works

As an eligible performance equity award participant, your baseline grant (as planned each year by your manager) is comprised of two components:

- **Performance-Based Award:** This component of the grant is made up of performance share awards (PSAs) which represent a commitment by the Company to issue, on the third anniversary date of the date of the grant of the award, from 0 to 200% of the number of shares of Alcoa common stock indicated on your award certificate relating to the grant based on Alcoa's return on capital ("ROC") relative to the median return on capital of the Company's selected external comparator group during the performance period (the first year of the three-year vesting period). The final number of PSAs earned can change based on Alcoa's corporate performance.
- **Time-Vested Award:** This component of the grant is made up of stock options, which gives you the right to purchase shares of Alcoa common stock in the future (once the options vest and prior to their expiration date) at a preset price. Stock options are ***not*** performance based, which means they are not subject to any adjustment based on corporate performance once they are granted. Therefore, the number of stock options you are granted will not change.

The foundation of ***Equity Choice*** is the opportunity to elect a different "mix" of equity vehicles than what is provided in your baseline grant. In addition to PSAs and stock options, you will also be able to receive:

- **Performance-Based Award: Performance Stock Options** - A PSO represents the right to purchase shares of stock in the future at a preset price once vested, provided that Alcoa achieves certain financial performance levels (based on the same measure used for PSAs). A PSO vests 14 months after the grant date as to one-third of the options granted, two years after the grant date as to one-third of the options granted, and three years from the grant date as to one-third of the options granted (unless the Committee specifies a different vesting period). If you elect to receive PSOs, you will have the opportunity to earn from 0% to 200% of the number of options indicated on your award certificate, except as indicated in the next sentence. If performance results in a payout in excess of 100%, the additional payout will be made in the form of a stock award grant instead of stock options, based on an exchange ratio of one stock award for every four additional PSOs earned. Such stock award would vest, in whole, on the third anniversary of the grant date of the PSOs to which it relates. If performance results in a payout below 100%, the number of PSOs below the earned payout percentage will be automatically cancelled.
- **Time-Vested Award: Stock Awards** - A commitment by the company to issue shares of Alcoa stock, upon vesting (the third anniversary date of the date of grant).

Equity Choice:

- Enhances the value of the long-term stock-based incentive plan
- Increases flexibility within the plan
- Responds to input from senior leaders

Election Alternatives

Election Alternatives

You will need to make separate elections for the two components of your baseline grant: one election for your performance-based award and one for your time-vested award. For each election, you have three alternatives from which to choose, offering a range of combinations and potential values.

Election Alternatives for Performance-Based Awards

You have the following three choices:

- **Choice 1:** Exchange 100% of the PSAs in your baseline grant for performance stock options (PSOs) which are described further below.
- **Choice 2:** Exchange 50% of the PSAs in your baseline grant for PSOs.
- **Choice 3A (default) :** No change. Baseline grant allocation.

If you elect to exchange PSAs for PSOs, the exchange ratio will be one PSA to four PSOs. PSOs are subject to the same performance criteria as PSAs and the final number of PSOs earned will be adjusted after the end of the performance period (the first year of the entire three-year vesting period).

You decide what is best for you.

Election Alternatives for Time-Vested Awards

You have the following three choices:

- **Choice 3B (default) :** No change. Baseline grant allocation.
- **Choice 4:** Exchange 50% of the stock options in your baseline grant for stock awards which are described further below.
- **Choice 5:** Exchange 100% of the stock options in your baseline grant for stock awards.

If you elect to exchange stock options for stock awards, the exchange ratio will be four stock options to one stock award. Stock awards received in exchange for stock options are not subject to performance criteria and will not be adjusted once granted.

Exchange Ratio

The exchange ratio of 4 stock options/PSOs to 1 stock award/PSA takes into consideration:

- Black-Scholes option valuation methodology
- Binomial option valuation methodology
- Comparisons to exchange ratios used by other companies implementing similar programs
- Employee responses from the Equity Compensation Survey

Election Alternatives

EXAMPLES

The following examples illustrate how the exchange ratio is used to determine the number of awards granted under each election alternative, using a hypothetical baseline grant of 4,250 performance shares (Choice #3A) and 19,000 stock options (Choice #3B). Remember that the exchange ratio is four stock options/PSOs to one stock award/PSA.

Performance-Based Award

If you select …	Then you are transferring from the Baseline Grant (Choice #3A) . . .	Exchange Computation	Performance Stock Options	Performance Shares
Choice #1	100% of performance shares to performance stock options	4,250 x 4 = 17,000	- 17,000 **17,000**	4,250 (4,250) -
Choice #2	50% of performance shares to performance stock options	4,250 x 50% = 2,125 2,125 x 4 = 8,500	- 8,500 **8,500**	4,250 (2,125) **2,125**
Choice #3A (default)	Baseline Grant allocation ➢40% performance shares*	No Change	- - -	4,250 - **4,250**

Time-Vested Award

If you select …	Then you are transferring from the Baseline Grant (Choice #3B) . . .	Exchange Computation	Stock Options	Stock Awards
Choice #3B (default)	Baseline Grant allocation ➢60% stock options*	No Change	19,000 - **19,000**	- - -
Choice #4	50% of stock options to stock awards	19,000 x 50% = 9,500 9,500 / 4 = 2,375	19,000 (9,500) **9,500**	- 2,375 **2,375**
Choice #5	100% of stock options to stock awards	19,000 / 4 = 4,750	19,000 (19,000) -	- 4,750 **4,750**

* Approximate allocation of expected value of total equity incentive award

The *Equity Choice* Process

The Equity Choice process involves three steps: participants review their election alternatives, participants make their elections, and the actual and final grants are determined and communicated. Below are the details of each step.

Step 1: Reviewing Your Election Alternatives

To help you make your Equity Choice elections, Alcoa provides information, tools and training materials. Before you make your elections it is important to be fully informed about the program and to consider key factors related to your personal situation and financial goals.

Stock Incentives Website

The Stock Incentives website at www.alcoastockincentives.com is your main resource for important information, a modeling tool and training materials that will help in your decision making.

The **Library Section** provides the following materials:

- **Brochures** describing the benefits and provisions of Stock Options, Stock Awards, Performance Share Awards and Equity Choice
- **WebEx training presentations** on Equity Choice

The **Equity Choice Section** provides specific program information, personalized information, and modeling tools:

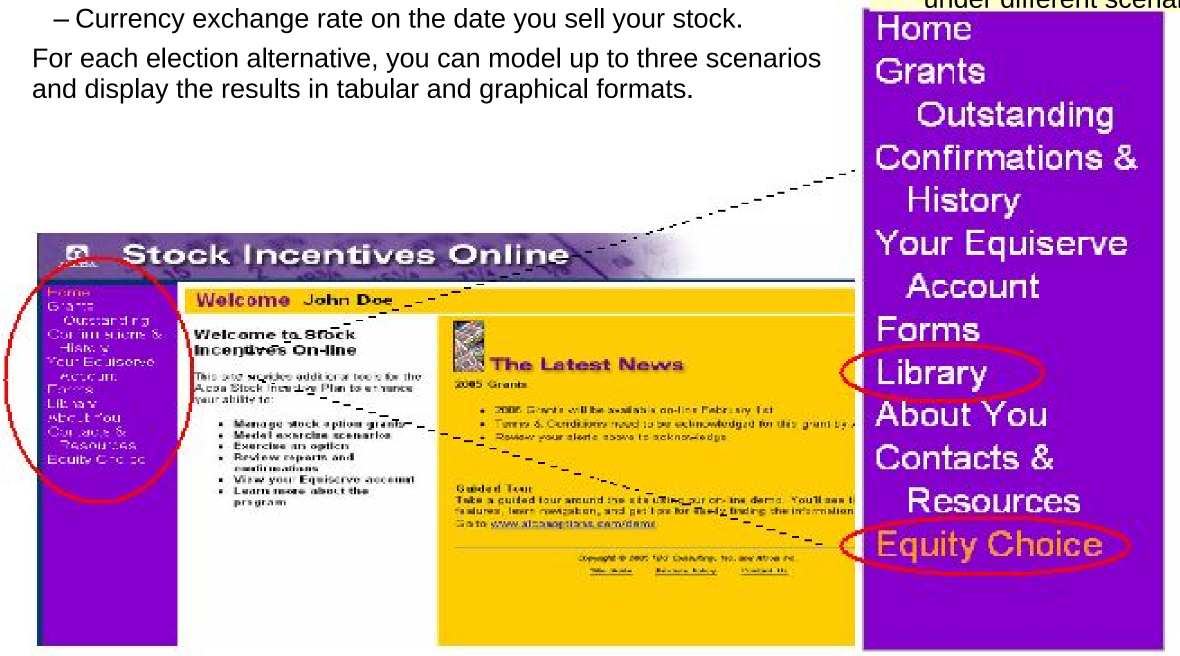
- *Background:* detailed descriptions and examples for each Equity Choice election alternative.
- *Modeling:* Tool that allows you to compare the possible future economic value of the election alternatives based on your assumptions for:
  – Stock price at actual grant date;
  – Stock price on the date you sell your stock; and
  – Currency exchange rate on the date you sell your stock.

For each election alternative, you can model up to three scenarios and display the results in tabular and graphical formats.

Factors to Consider When Making Your Decision

Once you understand your election alternatives, consider personal factors that could affect your decision such as:

- Your own risk tolerance;
- Your entire financial picture and how long-term stock-based incentives fit into it;
- The tax implications of stock options, PSOs, stock awards and PSAs;
- The vesting and other provisions of stock options, PSOs, stock awards and PSAs;
- The applicability of dividends and dividend equivalents; and
- The upside and downside potential for stock options, PSOs, stock awards and PSAs under different scenarios



The *Equity Choice* Process

Step 2: Making Your *Equity Choice Elections*

The Election Period

Each year, you will be notified of the Equity Choice election period which is held for approximately two weeks near the end of the calendar year prior to the year of grant. You must make your election via the Stock Incentives website and are free to change your elections as many times as you like during the election period. Once the election period closes, your final elections recorded in the Stock Incentives website is final and irrevocable and cannot be changed for any reason.

If you do not make an election by the close of the election period, the default allocation of the baseline grant will apply.

Making Your Elections on the Stock Incentives Website

Follow these steps to make your elections online:

- Go to the Stock Incentives website at www.alcoastockincentives.com and click on the Equity Choice section (from the menu in the left column of the site). The site provides detailed instructions to help you through the process.
- Select the election alternatives you want by clicking on the applicable radio button. The highlighted rows indicate your current elections, or, if you haven't yet made an election, the default election.

  Your election alternatives will be displayed based on the midpoint within the regional grant guidelines established for your specific job grade and region (Note that the midpoint is not an indication of the award you may receive; individual job performance and other factors identified by your business or resource unit determine your actual baseline grant.)
- Save your election when finished. Your election will be applied to your baseline grant to determine your actual grant. Remember that you can change your election at any time up until the end of the election period.

  If you do not make an election during the election period, Choice #3A and #3B – baseline grant allocation will apply.

Applicability of Elections

Your ***Equity Choice*** elections will apply to the upcoming year's annual grants only. It does not apply to any prior grants or any other future grants including special quarterly grants, new hire grants or future years' annual grants

New elections must be made for each future annual grant.

Sample Website View of Election Alternatives

Shown below is a sample of what you will see on the website based on a hypothetical baseline grant of 4,250 performance shares and 19,000 stock options.

	Election Alternatives Performance Based Grants	PSOs	PSAs
O	#1 - 100% PSA to PSO	17,000	
O	#2 - 50% PSA to PSO	8,500	2,125
●	#3A -Baseline Grant (default)		4,250

	Election Alternatives Time Vested Grants	Stock Options	Stock Awards
●	#3B -Baseline Grant (default)	19,000	
O	#4 - 50% stock options to stock awards	9,500	2,375
O	#5 - 100% stock options to stock awards		4,750

In this sample, no election has been made and therefore the default elections (Choices #3A and #3B) are highlighted. When you make your elections by clicking on the applicable radio button, your choices will be highlighted.

You should consult a personal tax advisor or financial planner with respect to your personal circumstances.

The *Equity Choice* Process

Step 3: Determining Actual and Final Grants

The amount of your baseline grant and actual grant will be communicated to you by your manager after final approval by the Compensation and Benefits Committee. Your actual grant is determined by applying your Equity Choice elections to your baseline grants (default baseline grant allocation applies if no election is made).

Your actual grant will be posted on the Stock Incentives website at www.alcoastockincentives.com within five business days of the grant date. The website also allows you to print your award certificates.

Performance-Based Awards

The number of PSOs and/or PSAs you receive will be adjusted based on Alcoa's performance relative to an external comparator group as set forth in the terms and conditions of the award agreements.

Your final grant can be between 0% - 200% of your actual grant and will be determined upon completion of the performance period. For PSOs, if performance results in a payout in excess of 100%, the additional payout will be made in the form of a stock award grant instead of stock options, based on an exchange ratio of one stock award for every four additional PSOs earned. Such stock award would vest, in whole, on the third anniversary of the grant date of the PSOs to which they relate. If performance results in a payout below 100%, the number of PSOs below the earned payout percentage will be automatically cancelled.

Final award certificates for the performance-based component of your grant will be available on the Stock Incentives website after the performance period ends and final grants are determined.

The ability to make an election does not guarantee that you will receive an actual grant.

Frequently Asked Questions

Who do I contact with questions about the stock options, stock award, performance stock options, or performance share plan provisions?	Contact the plan administrator via e-mail at StockOptionAdmin.pit@alcoa.com or by phone 877-281-2088 within the U.S. or 412-281-2088 outside the U.S.
Who do I contact with questions about my election alternatives or the ***Equity Choice*** Program?	Contact the Corporate Compensation group via e-mail at ACCEquityChoice@alcoa.com
Who do I contact with questions about the ***Stock Incentives*** website (including log-on ID and password requests)?	Contact the plan administrator via e-mail at StockOptionAdmin.pit@alcoa.com or by phone 800-352-8535 within the U.S. or 412-281-1234 outside the U.S.
What if I do not make an Equity Choice election during the election period?	The default baseline grant allocation will apply (Choice #3A and #3B).
What if I become eligible for the Plan after the election period closes?	The default baseline grant allocation will apply (Choice #3A and #3B).
What if I want to change my election?	Elections can be changed up until the close of the election period. After the election period ends, you cannot change your election for any reason.

Glossary

Actual Grant: Number of performance shares, performance stock options, stock options and stock awards granted based on your Baseline Grant and Equity Choice election.

Annual Grant: An award given by the Compensation and Benefits Committee of the Board of Directors, typically in January. Grant terms are set at the Committee's discretion.

Baseline Grant: Number of stock options and performance shares allocated to you within the Regional Grant Guidelines for your specific job grade and region, prior to Equity Choice, based on management's recommendations.

Board of Directors: Group of individuals elected at an annual meeting by the shareholders of a corporation. The Board of Directors has the authority to elect officers, issue additional shares of stock, and declare dividends, among other authorities.

Common Stock: A type of public ownership in a corporation. Owners are usually entitled to vote on the selection of the board of directors and other important matters as well as receive common stock dividends on their shareholdings if they are declared.

Compensation and Benefits Committee: Comprised solely of independent directors who have not been Alcoa employees. The Committee discharges the Board of Directors' responsibilities relating to the compensation of the company's officers, oversees the administration of the company's compensation and benefit plans (particularly the incentive compensation and equity-based plans of the company) and prepares the annual report on executive compensation. In addition, the Committee has oversight responsibility for the investment policy of the company's principal pension and savings plans.

Election Alternatives: Different mixes of stock options, stock awards, performance stock options, and/or performance shares from which to choose as part of the Equity Choice Program.

Election Period: Time period in which Equity Choice elections can be made.

Equity Choice: Program that allows participants to choose between different combinations of equity vehicles for their annual grants under the 2004 Alcoa Stock Incentive Plan to better suit their personal needs.

Final Grant: Adjusted number of performance shares or performance stock options granted that are determined upon completion of the performance period. Final Grants can be between 0% -200% of your Actual Grant.

Grant: An award of stock options or other stock-based incentives.

Grant Date: The date on which an option or other award is granted.

Performance Share Award (PSA): A contractual promise to issue shares of Alcoa common stock, upon vesting, provided that the corporation achieves certain financial performance levels. The same performance metric applies to both performance shares and performance stock options.

Performance Stock Option (PSO): The right to purchase shares of stock in the future at a preset price, upon vesting, provided that the corporation achieves certain financial performance levels. The same performance metric applies to both performance shares and performance stock options.

Plan: 2004 Alcoa Stock Incentive Plan

Regional Grant Guidelines: Range of stock options and performance shares, between 0% and 200% of midpoint, that can be granted as part of the Baseline Grant for each job grade and region.

Stock Award: A contractual promise to issue shares of Alcoa stock, upon vesting.

Stock Option: The right to purchase shares of stock in the future at a preset price, upon vesting.

Time-Vested Grants: Grants of stock awards or stock options that are not subject to performance criteria.

Vesting: A specified length of time you must hold a stock option or performance stock option before it can be exercised or length of time before you can receive shares from a stock award or performance share award. Certain employment criteria must be met during this period.

Exhibit 99.1

FOR IMMEDIATE RELEASE

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Alcoa Announces Organization Changes
Richard Kelson to Retire; Joe Muscari to Become New CFO
Helmut Wieser to Add Rigid Packaging, Asia to Global Rolled Products Business

New York, NY – November 14, 2005 — Alain Belda, Chairman and CEO of Alcoa announced today that Richard B. Kelson, Chief Financial Officer and EVP, has chosen to retire and that Joseph C. Muscari would succeed him in that role, effective January 1, 2006.

“Rick Kelson has been an integral part of Alcoa’s success over the past three decades,” said Belda. “Rick successfully drove the company’s two successful billion-dollar cost savings programs, created a top-notch finance team, transformed Alcoa’s shared services organization, and built a world-class organization to improve environment, health and safety performance. We are sorry to lose him, but I am pleased that he has agreed to stay on well into next year to help provide for a smooth transition.” Mr. Kelson will become Chairman’s Counsel in January and will continue to advise the company on the transition.

Joe Muscari, currently EVP for Asia, Rigid Packaging and Global Foil, will become Chief Financial Officer after a wide-ranging 36-year career at Alcoa. “Joe has a unique combination of talents that make him perfectly suited to the CFO role,” said Belda. “He has strong international experience, having run Alcoa’s businesses in Latin America, Japan and China. He created the strategy to drive our expansion in Asia, where we now have $1.7 billion in annual revenue and more than 2500 employees. With a strong financial background including stints running corporate audit, environment, health & safety, compliance as well as finance for several major businesses, Joe has the right mix of talent and experience for the opportunities we are pursuing." Today, Muscari has accountability for the Rigid Packaging Division (the company's can sheet business), the commercial foil business, as well as Alcoa's operations in Asia, with combined revenues of more than $3.5 billion in revenue. Muscari also has significant transactional experience having led a number of major investments and divestitures in Asia and Latin America.

Helmut Wieser, currently Group President of the North American and European Mill Products, will assume additional responsibility for the can sheet and hard alloy extrusion businesses. He will also oversee the company's business in the Asia Pacific region, with a focus on China and the Australian rolled products business. The new group will include all of the company's worldwide rolled products, hard alloy and rod and bar extrusion products, and its commercial foil businesses, accounting for more than $7.8 billion in 2004 revenue and 15,000 employees. Helmut will become an Executive Vice President of the company.

"This move will allow Helmut to build a truly global rolled and extruded products business focused on our customers in the aerospace, automotive, commercial transportation, packaging and industrial markets," said Belda "His global knowledge and experience, together with his excellent business acumen and ability to drive results will continue to benefit Alcoa and our shareholders."

The personnel changes were approved by the Company's Board of Directors at their November Board meeting, which was held on Friday, November 11, 2005.

A separate press release describes the reorganization of the company's extrusion businesses.

Background on Richard B. Kelson

Richard B. ("Rick") Kelson, Chief Financial Officer and Executive Vice President, has announced his intention to retire in the first half of 2006 in order to pursue opportunities in the private equity arena. Mr. Kelson has more than 31 years of experience with Alcoa, serving in a variety of executive roles.

Rick is currently responsible for the company's Treasury, Controllership, Pension, Investor Relations, Tax, Audit, and Financial Planning & Analysis activities and for Alcoa's GBS (Global Business Services) group, which provides Information Technology centralized purchasing and Business Support Services globally to all Alcoa businesses. He is a member of Alcoa's Executive Council, the senior leadership group that provides strategic direction for the company.

Rick joined Alcoa as an attorney in Pittsburgh in 1974. He held various positions of increasing responsibility in the Legal group, including being named Assistant General Counsel in 1989. In 1991, Rick moved out of the legal area when he was elected Senior Vice President - Environment, Health and Safety. In 1994 he returned to the legal organization as Executive Vice President Environment, Health & Safety and General Counsel. He was named Chief Financial Officer in 1997.

Rick currently serves on the board of directors of MeadWestvaco Corporation, PNC Financial Services Group, Inc., and The Alcoa Foundation. He is a member of the Board of Trustees at Carnegie Mellon University and serves on the board of visitors of the University of Pittsburgh Law School.

Rick graduated from the University of Pennsylvania with a bachelor's degree in political science and obtained a J.D. from the University of Pittsburgh. Rick was born November 20, 1946, in Pittsburgh. He and his wife, Ellen, have three children.

Background on Joseph C. Mucari

Joseph C. (Joe) Muscari is head of Alcoa's Rigid Packaging, Foil and Asia group, a position he assumed in October 2004. He has been an executive vice president of Alcoa since 2002. Joe currently oversees Alcoa's global can sheet business, and is also charged with developing a global industrial and commercial foil business. He continues to have responsibility for Alcoa's operations and growth strategy in Asia, a role he took on in 2001. Joe is a member of Alcoa's Executive Council.

The early part of Joe's Alcoa career, which began in 1969, focused on manufacturing as an industrial engineer with assignments in New Kensington, Pa.; Massena, NY; and Cleveland, Ohio. During that time, Joe also held an assignment in the Corporate Secretary's Office in Pittsburgh. In 1979, he became business unit controller of the Forging Division in Cleveland and later assumed controllership responsibility for the Engineered Products Group. Joe's next assignment was general manager of the Powder and Pigments Division in Pittsburgh. In 1986, he was named director of Alcoa's IT group and later took on added responsibility as quality director for the Finance organization. In 1989, Joe was promoted to group vice president, The Stolle Corporation, a diversified Alcoa business located in Ohio.

In 1992, Joe moved to Japan as president of Alcoa Asia accountable for operations and business development as well as sales and marketing services for the Asian region. He established Alcoa's first major operation in China and developed the company's long-term strategy there. He returned to Pittsburgh in

1997 as vice president of Audit, and, subsequently, was elected vice president, Environment, Health & Safety, Audit and Compliance, a new position. In 2001 he once again took on a newly created business as Group President Asia and Latin America, in charge of operations and growth projects in the two regions.

Joe serves on the board of directors of Minerals Technologies Inc. and was a member of the Board of Overseers for the New Jersey Institute of Technology, from where he graduated cum laude in 1968 with a degree in industrial engineering. He earned an M.B.A. degree from the University of Pittsburgh in 1969. In 1994, Joe received an honorary Doctor of Law degree from Salem-Teikyo University.

Joe was born September 14, 1946, in Jersey City, New Jersey. He and his wife, Donna, have three children.

Background on Helmut Wieser

Before he was named president of the North American and European Mill Products group in 2004, Helmut was president of Alcoa’s flat rolled products group in Europe, a position he assumed in June 2001. He had been vice president, operations for the group starting in 2000.

Prior to joining Alcoa, Helmut worked for Austria Metal Group (AMAG) for 10 years, holding a series of management positions, culminating in 1997 as executive member of the board and chief operating officer. Earlier, he held sales and management positions with Voest Alpine in Austria and Venezuela, and in 1987 became president of Voest Alpine Venezuela.

He has served as chairman of the Rollers Division of the European Aluminium Association and is a member of the board of governors of the National Graduate University in Washington D.C.

Helmut was born in Steyr, Austria on October 11, 1953. He received a master’s degree in mechanical engineering and economics in 1981 from the University of Graz.

Alcoa is the world’s leading producer and manager of primary aluminum, fabricated aluminum and alumina facilities, and is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa’s businesses to customers. In addition to aluminum products and components, Alcoa also markets consumer brands including Reynolds Wrap® foils and plastic wraps, Alcoa® wheels, and Baco® household wraps. Among its other businesses are vinyl siding, closures, fastening systems, precision castings, and electrical distribution systems for cars and trucks. The company has 131,000 employees in 43 countries and has been named one of the top three most sustainable corporations in the world at the World Economic Forum in Davos, Switzerland. More information can be found at www.alcoa.com

Exhibit 99.4

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ALCOA AGREES TO SELL SOUTHERN GRAPHIC SYSTEMS TO CITIGROUP VENTURE CAPITAL EQUITY PARTNERS FOR $410 Million

NEW YORK – November 14, 2005 – Alcoa today announced it has agreed to sell its Southern Graphic Systems Inc., packaging design and imaging business to Citigroup Venture Capital Equity Partners, LP (CVC) for approximately $410 million. The sale is expected to close by the end of December 2005.

Southern Graphic Systems provides innovative packaging design solutions to enhance brand identity on a global scale and shorten clients' 'time-to-market' demands. The business became part of Alcoa through the acquisition of Reynolds Metals Company in 2000 and is being sold as the business is not core to the company.

Southern Graphic Systems, based in Louisville, Kentucky, has more than 30 locations in the United States, Canada, the U.K. and Mexico and has approximately 1,500 employees. Deutsche Bank served as a financial advisor to Alcoa on the transaction.

Alcoa is the world's leading producer and manager of primary aluminum, fabricated aluminum and alumina facilities, and is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa's businesses to customers. In addition to aluminum products and components, Alcoa also markets consumer brands including Reynolds Wrap® foils and plastic wraps, Alcoa® wheels, and Baco® household wraps. Among its other businesses are vinyl siding, closures, fastening systems, precision castings, and electrical distribution systems for cars and trucks. The company has 131,000 employees in 43 countries and has been named one of the top three most sustainable corporations in the world at the World Economic Forum in Davos, Switzerland. More information can be found at www.alcoa.com

About Citigroup Venture Capital Equity Partners L.P.

Citigroup Venture Capital (CVC), one of the world's oldest and largest private equity firms, currently manages $2.6 billion in private equity partnerships with major institutional investors. Founded in 1968, CVC has been the lead investor in over 200 transactions over the past two decades including numerous successful management buyouts for a broad range of sectors including technology, publishing/media, healthcare, business services and industrial growth.