
**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): September 22, 2014 (September 16, 2014)

ALCOA INC.

(Exact name of Registrant as specified in its charter)

Pennsylvania
(State or Other Jurisdiction
of Incorporation)

1-3610
(Commission
File Number)

25-0317820
(I.R.S. Employer
Identification Number)

390 Park Avenue, New York, New York
(Address of Principal Executive Offices)

10022-4608
(Zip Code)

Office of Investor Relations 212-836-2674
Office of the Secretary 212-836-2732
(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

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))
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Item 1.01 Entry into a Material Definitive Agreement.*Offering of Depositary Shares*

On September 16, 2014, Alcoa Inc. (the “Company”) entered into an underwriting agreement (the “Depositary Share Underwriting Agreement”) with Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, as representatives of the several underwriters named in Schedule I thereto (the “Depositary Share Underwriters”), for the issuance and sale of 25,000,000 depositary shares (or 28,750,000 depositary shares (the “Depositary Shares”) subject to the Depositary Share Underwriters’ over-allotment option) in a registered public offering pursuant to the Company’s shelf registration statement on Form S-3 (Registration No. 333-197371) filed with the Securities and Exchange Commission and effective as of July 30, 2014 (the “Registration Statement”). Each Depositary Share represents a 1/10th interest in a share of the Company’s 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, liquidation preference \$500.00 per share, par value \$1.00 per share (the “Mandatory Convertible Preferred Stock”). For a complete description of the terms and conditions of the Depositary Share Underwriting Agreement, please refer to the Depositary Share Underwriting Agreement, which is incorporated by reference and attached hereto as Exhibit 1.1.

The Deposit Agreement, dated as of September 22, 2014 (the “Deposit Agreement”), among the Company, Computershare Trust Company, N.A., as depositary (the “Depositary”), Computershare Inc., and the holders from time to time of the depositary receipts evidencing the Depositary Shares, governs the deposit of the Mandatory Convertible Preferred Stock with the Depositary and the issuance by the Depositary of the Depositary Shares. For a complete description of the terms and conditions of the Deposit Agreement, please refer to the Deposit Agreement, which is incorporated by reference and attached hereto as Exhibit 4.1.

Offering of Senior Notes

On September 17, 2014, the Company entered into an underwriting agreement (the “Notes Underwriting Agreement”) with Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, as representatives of the several underwriters named in Schedule I thereto (the “Notes Underwriters”), pursuant to which the Company agreed to issue and sell to the Notes Underwriters \$1,250,000,000 aggregate principal amount of the Company’s 5.125% Notes due 2024 (the “2024 Notes”) in a registered public offering pursuant to the Company’s Registration Statement. For a complete description of the terms and conditions of the Notes Underwriting Agreement, please refer to the Notes Underwriting Agreement, which is incorporated by reference and attached hereto as Exhibit 1.2.

Item 3.03 Material Modification to Rights of Security Holders.

On September 22, 2014, the Company filed a Statement with Respect to Shares (the “Statement”) with the Secretary of State of the Commonwealth of Pennsylvania to establish the relative rights and preferences of the Company’s Mandatory Convertible Preferred Stock. The Statement became effective upon filing.

Subject to certain exceptions, so long as any share of Mandatory Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the shares of the Company's common stock or any other class or series of junior stock, and no common stock or any other class or series of junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company or any of the Company's subsidiaries unless all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid upon, or a sufficient sum of cash or number of shares of the Company's common stock has been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock.

In addition, upon the Company's voluntary or involuntary liquidation, winding-up or dissolution, each holder of Mandatory Convertible Preferred Stock will be entitled to receive a liquidation preference in the amount of \$500.00 per share of the Mandatory Convertible Preferred Stock (equivalent to \$50.00 per Depositary Share), plus an amount equal to all dividends that have accrued on such shares to but excluding the date fixed for liquidation, winding-up or dissolution but have not been paid or declared and a sum sufficient for the payment thereof been set apart, to be paid out of the Company's assets legally available for distribution to the Company's stockholders, after satisfaction of liabilities to the Company's creditors and holders of shares of senior stock and before any payment or distribution is made to holders of junior stock (including the Company's common stock).

The foregoing is a summary and is not complete. The full terms of the Mandatory Convertible Preferred Stock, including such restrictions, are more fully described in the Statement, which is incorporated by reference and attached hereto as Exhibit 3.1.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On September 22, 2014, the Company filed the Statement with the Secretary of State of the Commonwealth of Pennsylvania to establish the preferences, limitations and relative rights of its Mandatory Convertible Preferred Stock. The Statement became effective upon filing and a copy is filed as Exhibit 3.1 hereto, and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following are filed as exhibits to this report:

- 1.1 Underwriting Agreement relating to the Depositary Shares, dated September 16, 2014, by and among Alcoa Inc. and Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC.
- 1.2 Underwriting Agreement relating to the 2024 Notes, dated September 17, 2014, by and among Alcoa Inc. and Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC.

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- 3.1 Statement with Respect to Shares of the 5.375% Mandatory Convertible Preferred Stock, Series 1, of Alcoa Inc., dated September 22, 2014 (including Form of Preferred Stock Certificate).
 - 4.1 Deposit Agreement, dated September 22, 2014, among Alcoa Inc., Computershare Trust Company, N.A., Computershare Inc., and the holders from time to time of the depositary receipts evidencing the Depositary Shares (including Form of Depositary Receipt).
 - 4.2 Form of Certificate for the 5.375% Mandatory Convertible Preferred Stock, Series 1 (included as Exhibit A to Exhibit 3.1).
 - 4.3 Form of Depositary Receipt for the Depositary Shares (included as Exhibit A to Exhibit 4.1).

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/ PETER HONG

Name: Peter Hong

Title: Vice President and Treasurer

Date: September 22, 2014

EXHIBIT INDEX

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ALCOA INC.

25,000,000 Depositary Shares,
each representing 1/10th interest in a share of
5.375% Class B Mandatory Convertible Preferred Stock, Series 1

UNDERWRITING AGREEMENT

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

September 16, 2014

1. Introductory. (a) Alcoa Inc., a Pennsylvania corporation (the “**Company**”), proposes to issue and sell to the several underwriters named in Schedule I hereto (the “**Underwriters**”), for whom you (the “**Representatives**”) are acting as representatives, a total number of 25,000,000 depositary shares (the “**Firm Depositary Shares**”), each such Depositary Share representing ownership of 1/10th of a share of 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, of the Company, par value \$1.00 per share (the “**Convertible Preferred Stock**”). The Company also proposes to issue and sell to the several Underwriters up to an additional 3,750,000 depositary shares (the “**Additional Depositary Shares**”) if and to the extent that you, as Representatives, shall have determined to exercise, on behalf of the Underwriters, the right to purchase such depositary shares granted to the Underwriters in Section 3(a)(ii) hereof. The Firm Depositary Shares and the Additional Depositary Shares are hereinafter collectively referred to as the “**Depositary Shares**” and the Depositary Shares, together with the corresponding shares of Convertible Preferred Stock, are hereinafter collectively referred to as the “**Securities**”. The Convertible Preferred Stock will, when issued, be deposited by the Company against delivery of Depositary Receipts (“**Depositary Receipts**”) to be issued by Computershare Trust Company, N.A. (the “**Depositary**”), under a Deposit Agreement, to be dated as of the Closing Date (the “**Deposit Agreement**”), among the Company, the Depositary and the holders from time to time of the Depositary Receipts issued thereunder. Each Depositary Receipt will evidence one or more Depositary Shares. The Convertible Preferred Stock shall have the rights, powers and preferences set forth in the provisions of the Articles of Incorporation of the Company (as amended May 6, 2013, the “**Articles of Incorporation**”) relevant to the Class B Serial Preferred Stock of the Company and the Statement with Respect to Shares in respect of the Convertible Preferred Stock (the “**Statement with Respect to Shares**”). The Convertible Preferred Stock will be convertible into a variable number of shares of common stock, par value \$1.00 per share, of the Company (“**Common Stock**”). Such shares of Common Stock of the Company into which the Convertible Preferred Stock is convertible (including any additional shares of Common Stock issuable in connection with a conversion upon a fundamental change) are hereinafter referred to as the “**Conversion Shares**”.

(b) At or prior to the time when sales of the Securities were first made (the “**Time of Sale**”), the Company had prepared the following information (collectively, the “**Time of Sale Information**”): the Preliminary Prospectus Supplement dated September 15, 2014 and accompanying base prospectus dated July 30, 2014 (together, the “**Preliminary Prospectus**”), as filed by the Company pursuant to Rule 424(b)(3) of the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission (the “**Commission**”) thereunder (the “**Act**”), and each “free writing prospectus” (as defined pursuant to Rule 405 under the Act) identified in Schedule II hereto, including any final term sheet filed with the Commission pursuant to Rule 433 under the Act and attached hereto as Schedule III (the “**Final Term Sheet**”).

(c) The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm’s length contractual counterparty to the Company with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The registration statement on Form S-3 (No. 333-197371), including a base prospectus relating to the Securities and the Conversion Shares, has been filed with the Commission and has been declared effective. Such registration statement, as amended to the date of this underwriting agreement (“**Agreement**”), including any information deemed pursuant to Rule 430A, 430B or 430C under the Act to be part of the registration statement at the time of its effectiveness, is hereinafter referred to as the “**Registration Statement**”, and the base prospectus relating to the Securities and the Conversion Shares, as supplemented to reflect the final terms of the Securities and the terms of offering thereof, as first filed with the Commission pursuant to and in accordance with Rule 424(b) (“**Rule 424(b)**”) under the Act, is hereinafter referred to as the “**Prospectus**”. Any reference in this Agreement to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the most recent effective date of the Registration Statement or the date of the Preliminary Prospectus or the Prospectus, as the case may be, and any reference to “amend”, “amendment” or “supplement” with respect to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the “**Exchange Act**”) that are deemed to be incorporated by reference therein.

(b) On its effective date and on the Closing Date and any Option Closing Date (each as defined below), the Registration Statement conformed, and will conform, in all respects to the requirements of the Act and the rules and regulations of the Commission (“**Rules and Regulations**”) and did not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and as of its date and on the Closing Date and any Option Closing Date, the Prospectus will conform in all respects to the requirements of the Act and the Rules and Regulations, and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the foregoing does not apply to statements in or omissions from any of such documents based upon written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein.

(c) The Time of Sale Information, at the Time of Sale did not, and at the Closing Date and any Option Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Time of Sale Information.

(d) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Act) that constitutes an offer to sell or solicitation of any offer to buy the Securities (each such communication by the Company or its agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an “**Issuer Free Writing Prospectus**”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 under the Act, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed in Schedule II hereto, (v) any electronic roadshow or other written communications, in each case, approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and at the Closing Date and any Option Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Notwithstanding the foregoing, the Company will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

(e) [Reserved].

(f) The financial statements and the related notes thereto, included or incorporated by reference in the Registration Statement and the Prospectus, present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their consolidated cash flows for the periods specified; and said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis, and the supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein.

(g) Except as otherwise disclosed in the Registration Statement or the Prospectus, within the past three years, neither the Company nor any of its significant subsidiaries (as such term is defined in Rule 405 of the Act) nor, to the Company's knowledge, any director, officer, or employee, any agent or representative of the Company or of any of its significant subsidiaries, has taken any action, when acting on behalf of the Company or such significant subsidiaries, that would result in a violation of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "foreign official" (as such term is defined in the FCPA) (including any foreign political party or official thereof or any candidate for foreign political office) in contravention of the FCPA; and except as otherwise disclosed in the Registration Statement or the Prospectus, the Company and its significant subsidiaries have instituted and maintain policies and procedures designed to promote and achieve compliance in all material respects therewith.

(h) The Company, the operations of the Company and its significant subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including, to the extent applicable, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its significant subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency in such jurisdictions (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its significant subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened, except for any noncompliance or action, suit or proceeding that will not, individually or in the aggregate, have a material adverse effect on the ability of the Underwriters to sell the Securities in the manner contemplated by the Prospectus or on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole.

(i) (i) To the best knowledge of the Company, neither the Company nor any of its significant subsidiaries, nor any director, officer, or employee thereof, nor, to the Company's knowledge, any agent or representative of the Company or any of its significant subsidiaries, is an individual or entity ("**Person**") that is, or is majority-owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**") or Her Majesty's Treasury ("**HMT**") (collectively, "**Sanctions**"), nor

(B) located, organized or resident in a country or territory (including, without limitation, as of the date hereof, Cuba, Iran, North Korea, Sudan and Syria) that is the subject of Sanctions that broadly restrict or prohibit dealings with that country or territory.

(ii) The Company will not, directly or, to the knowledge of the Company, indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions.

(j) The Statement with Respect to Shares has been duly authorized by the Company. The provisions of the Articles of Incorporation relevant to Class B Serial Preferred Stock of the Company and the Statement with Respect to Shares set forth the rights, preferences and priorities of the Convertible Preferred Stock, and the holders of the Convertible Preferred Stock will have the rights set forth in the provisions of the Articles of Incorporation relevant to Class B Serial Preferred Stock of the Company and the Statement with Respect to Shares.

(k) The Convertible Preferred Stock will be convertible into the Conversion Shares in accordance with the terms of the Statement with Respect to Shares; a number of Conversion Shares (the "**Maximum Number of Conversion Shares**") equal to the product of (A) the sum of a number of shares of Common Stock equal to the maximum conversion rate for the Convertible Preferred Stock (as increased by the maximum number of shares of Common Stock issuable in connection with a conversion upon a fundamental change) and, to the extent so elected by the Company in connection with any such conversion, the number of shares of Common Stock deliverable by the Company upon conversion in respect of dividends payable upon conversion of the Convertible Preferred Stock (whether or not declared) (assuming the Company elects to issue and deliver, in respect of accumulated and unpaid dividends (whether or not declared), the maximum number of shares of Common Stock in connection with any such conversion), multiplied by (B) the aggregate number of shares of Convertible Preferred Stock, in each case in accordance with the terms of the Statement with Respect to Shares, has been and will be duly authorized and reserved for issuance by all necessary corporate action of the Company and such Conversion Shares, when issued upon such conversion or delivery (as the case may be) in accordance with the terms of the Statement with Respect to Shares, will be validly issued, fully paid and non-assessable, will conform in all material respects to the description thereof in the Registration Statement, the Time of Sale Information and the Prospectus and will not be subject to any preemptive or similar rights.

3. Purchase, Offering and Delivery. (a) (i) The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective number of Firm Depositary Shares set forth opposite such Underwriter's name in Schedule I hereto at a purchase price of \$48.50 per share (the "**Purchase Price**").

(ii) Subject to the terms and conditions hereof, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to the total number of Additional Depositary Shares set forth in Schedule I hereto at the Purchase Price to cover any over-allotments in the sale of the Firm Depositary Shares by the Underwriters. The Representatives may exercise this option on behalf of the Underwriters in whole or from time to time in part by giving notice of each election to exercise the option not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Depositary Shares to be purchased, severally and not jointly, by the Underwriters and the date on which such Additional Depositary Shares are to be purchased (which date may be simultaneous with, but not earlier than, the Closing Date (as defined below); and if subsequent to the Closing Date, each option purchase date shall not be earlier than three nor later than 10 business days after the written notice is given). On each day, if any, that Additional Depositary Shares are to be purchased (each, an "**Option Closing Date**"), each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the terms and conditions hereinafter stated, agrees, severally and not jointly, to purchase the number of Additional Depositary Shares (subject to such adjustments to eliminate fractional securities as the Representatives determine) that bears the same proportion to the total number of Additional Depositary Shares to be purchased on such Option Closing Date as the number of Firm Depositary Shares set forth opposite such Underwriter's name on Schedule I hereto bears to the total number of Firm Depositary Shares.

(b) The Representatives have advised the Company that the Underwriters propose to make a public offering of their respective portions of the Depositary Shares as soon after this Agreement has become effective as in the judgment of the Representatives is advisable. The Company acknowledges and agrees that the Underwriters may offer and sell Depositary Shares to or through any affiliate of an Underwriter and that such affiliate may offer and sell Depositary Shares purchased by it to or through any Underwriter.

(c) (i) The Depositary Shares to be purchased by each Underwriter hereunder will be represented by one or more definitive global certificates in book-entry form, which will be deposited by or on behalf of the Company with The Depository Trust Company ("**DTC**") or its designated custodian. The Company will, or will direct the Depository to, deliver the Depositary Shares to the Representatives for the account of each Underwriter, against payment for the Firm Depositary Shares (and the Additional Depositary Shares, if the option provided for in Section 3(a)(ii) hereof shall be exercised on or before the third business day immediately preceding the Closing Date) in Federal or other funds immediately available in New York City. The Company will, or will direct the Depository to, cause the certificates representing the applicable Depositary Shares to be made available to the Representatives for checking prior to the Closing Date at the offices of Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, NY

10019-7475 . The time and date of delivery and payment with respect to the Depositary Shares shall be 10:00 a.m., New York City time, on September 22, 2014 or such other time and date as the Representatives and the Company may agree upon in writing (such date and time of delivery and payment being herein called the “**Closing Date**”). The Depositary Shares and the documents to be delivered on the Closing Date, by or on behalf of the parties hereto, will be delivered at the offices of Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, NY 10019-7475.

(ii) If the option provided for in Section 3(a)(ii) hereof is exercised after the third business day immediately preceding the Closing Date, the Company will, or will direct the Depositary to, deliver any Additional Depositary Shares to the Representatives for the account of each Underwriter, against payment for such Additional Depositary Shares to the Company in Federal or other funds immediately available in New York City at 10:00 a.m., New York City time, on the date specified in the corresponding notice delivered pursuant to Section 3(a)(ii) or at such other time on the same or on such other date, not later than October 30, 2014, as shall be designated in writing by the Representatives. If an Option Closing Date occurs after the Closing Date, the Company will deliver to the Representatives on each such Option Closing Date, and the obligation of the Underwriters to purchase Additional Depositary Shares shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming the opinions, certificates and letters delivered on the Closing Date pursuant to Section 5 hereof.

4. Covenants of the Company. The Company covenants and agrees with the several Underwriters that in connection with the offering of the Securities:

(a) The Company will file any Issuer Free Writing Prospectus (including the Final Term Sheet) to the extent required by Rule 433 under the Act and will file the Preliminary Prospectus and the Prospectus with the Commission pursuant to and in accordance with Rule 424(b) not later than the time required by such rules.

(b) Prior to the Closing Date, the Company will advise the Representatives promptly of any proposal to prepare, use, authorize, approve, refer to or file any Issuer Free Writing Prospectus or to amend or supplement the Registration Statement or the Prospectus and will afford the Representatives a reasonable opportunity to comment on any such proposed Issuer Free Writing Prospectus or amendment or supplement and the Company will also advise the Representatives promptly of any use, authorization, approval, reference to or filing of any Issuer Free Writing Prospectus, the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings or any proceedings pursuant to Section 8A of the Act in respect of the Registration Statement or of any parts thereof and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued. Notwithstanding the foregoing, the Company will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

(c) (1) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, or required to be delivered but for Rule 172 under the Act (the “**Prospectus Delivery Period**”), any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state

any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company promptly will prepare and file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance and (2) if at any time prior to the Closing Date or any Option Closing Date (i) any event shall occur or condition shall exist as a result of which the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances, not misleading or (ii) it is necessary to amend or supplement the Time of Sale Information to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (b) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate, such amendments or supplements to the Time of Sale Information as may be necessary so that the statements in the Time of Sale Information as so amended or supplemented will not, in the light of the circumstances, be misleading or so that the Time of Sale Information will comply with law. Neither the Representatives' consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5.

(d) As soon as practicable, but not later than 16 months after the date of this Agreement, the Company will make generally available to its security-holders an earnings statement covering a period of at least 12 months beginning after the later of (i) the effective date of the Registration Statement, (ii) the effective date of the most recent post-effective amendment to the Registration Statement and (iii) the date of the Company's most recent Annual Report on Form 10-K filed with the Commission prior to the date of this Agreement, which will satisfy the provisions of Section 11(a) of the Act.

(e) The Company will furnish to the Representatives copies of the Registration Statement, including all exhibits, any prospectus, any related preliminary prospectus supplement, any related Issuer Free Writing Prospectus, any Time of Sale Information, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as are reasonably requested.

(f) The Company will arrange for the qualification of the Securities and the Conversion Shares and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives designate and will continue such qualifications in effect so long as required for the distribution, provided that the Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation.

(g) The Company will cause the Depositary Shares and the Maximum Number of Conversion Shares to be duly authorized for listing by the New York Stock Exchange as promptly as practicable after the Closing Date.

(h) During the period from and including the date hereof through and including the earlier of (a) the purchase by the Underwriters of all of the Additional Depositary Shares and (b) the expiration of the Underwriters' option to purchase the Additional Depositary Shares, the

Company will not take or authorize any action that would result in an adjustment of the conversion rates of the Convertible Preferred Stock pursuant to the terms of the Convertible Preferred Stock described in the Preliminary Prospectus under the captions “Description of Mandatory Convertible Preferred Stock—Mandatory Conversion”, “Description of Mandatory Convertible Preferred Stock—Conversion at the Option of the Holder” or “Description of Mandatory Convertible Preferred Stock—Conversion at the Option of the Holder upon a Fundamental Change; Fundamental Change Dividend Make-whole Amount”.

(i) During the period of three years after the date of this Agreement, the Company will furnish to the Representatives (i) as soon as available, a copy of each definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to shareholders, unless it is otherwise available on the Commission’s EDGAR system, and (ii) from time to time, such other information concerning the Company as the Representatives may reasonably request.

(j) The Company will pay all expenses incident to the performance of its obligations under this Agreement and will reimburse the Underwriters for any expenses (including reasonable fees and disbursements of counsel) incurred by them in connection with qualification of the Securities or the Conversion Shares for sale and determination of their eligibility for investment under the laws of such jurisdictions as the Representatives may designate and the printing of memoranda relating thereto, for the filing fee, if any, of the Financial Industry Regulatory Authority relating to the Securities or the Conversion Shares and for expenses incurred in distributing the Prospectus, the Preliminary Prospectus, any Issuer Free Writing Prospectus and any Time of Sale Information to Underwriters.

(k) The Company hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending 60 days after the date of the Prospectus (the “**Lock-up Period**”), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or preferred stock or any securities convertible into or exercisable or exchangeable for Common Stock or preferred stock, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock or preferred stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or preferred stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of shares of Common Stock or preferred stock or any securities convertible into or exercisable or exchangeable for Common Stock or preferred stock. The restrictions contained in this paragraph shall not apply to (A) the Securities to be sold hereunder, (B) the issuance by the Company of (i) Conversion Shares, (ii) shares of Common Stock upon the exercise of employee stock options outstanding on the date hereof or (iii) shares of Common Stock upon the exercise of an option or warrant or the conversion of any security outstanding on the date hereof of which the Representatives have been advised in writing, (C) the issuance of, and the filing of a registration statement on Form S-3 in respect of the resale of, 36,523,010 shares of Common Stock issuable to the seller in connection with the acquisition of Firth Rixson’s business pursuant to a share purchase agreement dated as of June 25, 2014 (the “**Share Purchase Agreement**”), provided that the Company shall not waive or fail to enforce the

restrictions on such shares of Common Stock contained in Section 7.12 of the Share Purchase Agreement during the Lock-up Period, or (D) the filing of a registration statement on Form S-8 in respect of securities to be issued pursuant to any benefit plan in effect on the date hereof and described in the Time of Sale Information or the granting of awards under any such plan.

(l) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated as of the date of this Agreement, of PricewaterhouseCoopers LLP, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement.

(b) The Prospectus and each Issuer Free Writing Prospectus (if required by Rule 433 under the Act) shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) of this Agreement. No stop order suspending the effectiveness of the Registration Statement or of any parts thereof shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Act shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission.

(c) Subsequent to the earlier of (A) the Time of Sale and (B) the execution of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in or affecting particularly the business or properties of the Company, or its subsidiaries which, in the judgment of a majority in interest of the Underwriters, including any Representatives, materially impairs the investment quality of the Securities or the Conversion Shares; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or the setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on such exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters, including any Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the sale of and payment for the Securities.

(d) The Representatives shall have received an opinion or opinions, dated the Closing Date, of the General Counsel, an Assistant General Counsel or a Counsel of the Company substantially in the form of Annex I(a) hereto.

(e) The Representatives shall have received an opinion, dated the Closing Date, of K&L Gates LLP, special counsel for the Company, substantially in the form of Annex I(b) hereto.

(f) The Representatives shall have received an opinion, dated the Closing Date, from Cleary Gottlieb Steen & Hamilton LLP, special counsel for the Company, substantially in the form of Annex I(c) hereto.

(g) The Representatives shall have received from Cravath, Swaine & Moore LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Securities and the Conversion Shares, the Registration Statement, the Time of Sale Information, the Prospectus and other related matters as they may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Cravath, Swaine & Moore LLP may rely as to the incorporation of the Company and all other matters governed by Pennsylvania law, upon the opinions referred to in subsections (d) and (e) of this Section.

(h) The Representatives shall have received a certificate, dated the Closing Date, of the Chairman of the Board, President or any Vice-President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, that no stop order suspending the effectiveness of the Registration Statement or of any parts thereof has been issued and no proceedings for that purpose or pursuant to Section 8A of the Act have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the financial position or results of operations of the Company and its subsidiaries considered in the aggregate, except as set forth in or contemplated by the Time of Sale Information and the Prospectus.

(i) The Representatives shall have received a letter, dated the Closing Date, of PricewaterhouseCoopers LLP, in form and substance satisfactory to the Underwriters, which reconfirms the matters set forth in their letter delivered pursuant to subsection (a) of this Section and covers any additional financial information included in the Prospectus (which is not covered by their letter delivered pursuant to subsection (a) of this Section).

(j) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between the Representatives and certain officers and directors of the Company listed on Schedule IV hereto relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on the Closing Date.

(k) The Company shall have filed a listing application with the New York Stock Exchange for listing the Depositary Shares and for reserving a number of Conversion Shares equal to the Maximum Number of Conversion Shares, subject to notice of issuance, and satisfactory evidence of such actions shall have been provided to the Representatives.

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents they reasonably request.

6. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Time of Sale Information, or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Time of Sale Information, or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives, if any, specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that actual conflicts of interest exist between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there are legal defenses relating to a material aspect of such action available to it or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to control, and otherwise participate in, the defense of such action and the indemnifying party will reimburse any legal or other expenses reasonably incurred by the indemnified party in connection with investigating or defending such action as such expenses are incurred.

(d) If recovery is not available under the foregoing indemnification provisions of this Section, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Act. Each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other equitable considerations appropriate under the circumstances. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified

party as a result of the losses, claims, damages or liabilities referred to in the second sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter and its controlling persons have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

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

7. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Depositary Shares under this Agreement on the Closing Date or any Option Closing Date and the number of Depositary Shares which such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of the Depositary Shares to be purchased on such date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Depositary Shares by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date or the applicable Option Closing Date, as the case may be, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments under this Agreement, to purchase the Depositary Shares that such defaulting Underwriters agreed but failed to purchase. If any Underwriter or Underwriters so default and the number of the Depositary Shares with respect to which such default or defaults occur exceeds 10% of the total number of the Depositary Shares to be purchased on such date and arrangements satisfactory to the Representatives and the Company for the purchase of such Depositary Shares by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 8. In all other cases, unless otherwise specified in this Agreement, if any Underwriter or Underwriters default in their obligations to purchase Depositary Shares under the terms of this Agreement and arrangements satisfactory to the Representatives and the Company for the purchase of such Depositary Shares by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 8. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person and will survive delivery of and payment for the Securities. If for any reason the purchase of the Securities by the Underwriters under this Agreement is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriters pursuant to Section 6 shall remain in effect.

9. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not and will not use, authorize use of, refer to, or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that is not an “issuer free writing prospectus as defined in Rule 433 under the Act that contains only preliminary terms of the Securities and offering or information permitted by Rule 134 under the Act, (ii) the Final Term Sheet or any Issuer Free Writing Prospectus prepared pursuant to Section 1(b) or Section 4(c) above (including any electronic road show) or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing. Notwithstanding the foregoing, the Underwriters may use a term sheet, substantially in the form of the Final Term Sheet attached in Schedule III hereto, without the consent of the Company.

(b) It is not subject to any pending proceeding under Section 8A of the Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

(c) It will, pursuant to reasonable procedures developed in good faith, retain copies of each free writing prospectus used or referred to by it, in accordance with Rule 433 under the Act.

(d) Notwithstanding the foregoing, it will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telecopied and confirmed to the Representatives at: Morgan Stanley & Co. LLC, 1585 Broadway, New York, NY 10036, Attn: Equity Syndicate Desk, with a copy to the Legal Department, and Credit Suisse Securities (USA) LLC, 11 Madison Avenue, New York, NY 10010, facsimile number (212) 743-1207 or, if sent to the Company, will be mailed, delivered or telecopied and confirmed to it at Alcoa Inc., 390 Park Avenue, New York, New York 10022-4608, Attention: Treasurer.

11. Successors. This Agreement will inure to the benefit of and be binding upon the Company and the Underwriters and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

12. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

13. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

[Signature Page follows]

Very truly yours,

ALCOA INC.

By: /s/ Peter Hong

Name: Peter Hong

Title: Vice President and Treasurer

[Signature Page to Preferred Underwriting Agreement]

Accepted as of the date first written above.

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I hereto.

MORGAN STANLEY & CO. LLC

By: /s/ Serkan Savasoglu
Name: Serkan Savasoglu
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Peter R. Matt
Name: Peter R. Matt
Title: Managing Director

Underwriters	Number of Firm Depository Shares to be Purchased	Maximum Number of Additional Depository Shares to be Purchased if Over-allotment Option is Exercised
Morgan Stanley & Co. LLC	10,280,000	1,542,000
Credit Suisse Securities (USA) LLC	6,000,000	900,000
Citigroup Global Markets Inc.	1,220,000	183,000
Goldman, Sachs & Co.	1,220,000	183,000
J.P. Morgan Securities LLC	1,220,000	183,000
BNP Paribas Securities Corp.	1,000,000	150,000
Mitsubishi UFJ Securities (USA), Inc.	1,000,000	150,000
RBC Capital Markets, LLC	1,000,000	150,000
RBS Securities Inc.	1,000,000	150,000
Banca IMI S.p.A.	100,000	15,000
Banco Bradesco BBI S.A.	100,000	15,000
Banco do Brasil Securities LLC	22,000	3,300
BBVA Securities Inc.	140,000	21,000
BNY Mellon Capital Markets, LLC	140,000	21,000
Credit Agricole Securities (USA) Inc.	100,000	15,000
Mizuho Securities USA Inc.	46,000	6,900
PNC Capital Markets LLC	50,000	7,500
Sandler O'Neill + Partners, L.P.	50,000	7,500
SG Americas Securities, LLC	50,000	7,500
SMBC Nikko Securities America, Inc.	100,000	15,000
TD Securities (USA) LLC	22,000	3,300
The Williams Capital Group, L.P.	140,000	21,000
Total	25,000,000	3,750,000

Issuer Free Writing Prospectuses

- A. Free writing prospectus filed with the Commission on September 17, 2014, substantially in the form of Schedule III.
- B. Other Free Writing Prospectuses
 - 1. None.

Pricing Term Sheet**Alcoa Inc.****25,000,000 Depositary Shares,
each representing a 1/10th interest in a share of
5.375% Class B Mandatory Convertible Preferred Stock, Series 1**

This term sheet to the preliminary prospectus supplement dated September 15, 2014 should be read together with the preliminary prospectus supplement before making a decision in connection with an investment in the securities. The information in this term sheet supersedes the information contained in the preliminary prospectus supplement to the extent that it is inconsistent therewith. Terms used but not defined herein have the meaning ascribed to them in the preliminary prospectus supplement.

Issuer: Alcoa Inc.

Depositary Shares Offering

Security: Depositary Shares, each representing a 1/10th interest in a share of the Issuer's 5.375% Class B Mandatory Convertible Preferred Stock, Series 1

Pricing Date/Closing Date: September 16, 2014 / September 22, 2014

Size: 25,000,000 Depositary Shares

Underwriters' Option to Purchase Additional Depositary Shares: Up to an additional 3,750,000 Depositary Shares

Public Offering Price: \$50.00 per Depositary Share

Purchase Price by Underwriters: \$48.50 per Depositary Share

Net proceeds to issuer (after expenses): \$1.2 billion (after deducting underwriting discounts and estimated net offering expenses) assuming no exercise of the over-allotment option

Listing: The Company intends to apply to list the Depositary Shares on The New York Stock Exchange under the symbol "AA-PRB". If the application is approved, the Company expects trading to begin within 30 days of the initial delivery of the Depositary Shares.

Liquidation Preference: \$50 per Depositary Share

CUSIP / ISIN: 013817 309 / US0138173093

Joint Bookrunners: Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC
Citigroup Global Markets Inc.
Goldman, Sachs & Co.
J.P. Morgan Securities LLC

Lead Managers: BNP Paribas Securities Corp.
Mitsubishi UFJ Securities (USA), Inc.
RBC Capital Markets, LLC
RBS Securities Inc.

Co-managers: Banca IMI S.p.A.
Banco Bradesco BBI S.A.
Banco do Brasil Securities LLC
BBVA Securities Inc.
BNY Mellon Capital Markets, LLC
Credit Agricole Securities (USA) Inc.
Mizuho Securities USA Inc.
PNC Capital Markets LLC
Sandler O'Neill + Partners, L.P.
SG Americas Securities, LLC
SMBC Nikko Securities America, Inc.
TD Securities (USA) LLC
The Williams Capital Group, L.P.

Mandatory Convertible Preferred Stock

Security: 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, of the Company, par value \$1.00 per share (the "Mandatory Convertible Preferred Stock")

Size: 2,500,000 shares of Mandatory Convertible Preferred Stock (2,875,000 if the underwriters' option to purchase additional Depositary Shares is exercised in full)

Liquidation Preference: \$500 per Mandatory Convertible Preferred Share

Dividends: 5.375% of the liquidation preference of \$500 per Mandatory Convertible Preferred Share per year (equivalent to \$26.8750 per annum per share of Mandatory Convertible Preferred Stock, corresponding to \$2.6875 per annum per Depositary Share), if declared by the Company's board of directors or an authorized committee thereof, payable in cash or, subject to certain limitations, by delivery of the Company's shares of Common Stock or any combination of cash and Common Stock, as determined by the Company in its sole discretion. The expected dividend payable on the first Dividend Payment Date is approximately \$7.53993 per share of Mandatory Convertible Preferred Stock (equivalent to \$0.753993 per Depositary Share) and will therefore be more than a regular full quarterly dividend.

Each subsequent dividend for a full dividend period is expected to be approximately \$6.71875 per share of Mandatory Convertible Preferred Stock (equivalent to \$0.671875 per Depositary Share). If the Company elects to make any such payment of a declared dividend, or any portion thereof, in shares of Common Stock, such shares shall be valued for such purpose at the average VWAP per share of Common Stock over the five consecutive trading day period ending on the second trading day immediately preceding the applicable Dividend Payment Date (the "Average Price"), multiplied by 97%. Notwithstanding the foregoing, in no event will the number of shares of Common Stock delivered in connection with any declared dividend exceed a number equal to the total dividend payment divided by the Floor Price. To the extent that the amount of the declared dividend exceeds the product of the number of shares of Common Stock delivered in connection with such declared dividend and the Average Price, the Company will, if it is legally able to do so, pay such excess amount in cash.

Floor Price for Mandatory Convertible Preferred Stock:	\$5.66, subject to adjustment as described in the Preliminary Prospectus Supplement.
Dividend record dates:	The December 15, March 15, June 15 and September 15, immediately preceding the next Dividend Payment Date.
Dividend Payment Dates:	January 1, April 1, July 1 and October 1, commencing on January 1, 2015 and to, and including, the Mandatory Conversion Date.
Dividend period:	The period from and including a Dividend Payment Date to but excluding the next Dividend Payment Date, except that the initial dividend period will commence on and include the issue date of the Mandatory Convertible Preferred Stock and will end on and exclude the January 1, 2015 Dividend Payment Date.
Acquisition Termination Redemption:	Within ten business days following the earlier of (a) the date on which an Acquisition Termination Event occurs and (b) 5:00 p.m. (New York City time) on April 1, 2015, if the Acquisition has not closed on or prior to such time on such date, the Company at its option may mail a notice of acquisition termination redemption to the holders of the Mandatory Convertible Preferred Stock. If the Company mails a notice of acquisition termination redemption, on the Acquisition Termination Redemption Date specified in such notice, the Company will be required to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, for the Acquisition Termination Make-whole Amount described in the Preliminary Prospectus Supplement. The Acquisition Termination Make-whole Amount will be payable in cash, or in certain instances at the Company's election, in cash or shares of Common Stock or a combination of cash or Common Stock. See "Description of Mandatory Convertible Preferred Stock—Acquisition Termination Redemption" in the Preliminary

Prospectus Supplement, as supplemented by the information set forth below under “Conversion at the Option of the Holder Upon a Fundamental Change; Fundamental Change Dividend Make-whole Amount” and “Fundamental Change Conversion Rate.”

Mandatory Conversion Date:

October 1, 2017 (the “Mandatory Conversion Date”)

Conversion Rate:

Upon conversion on the Mandatory Conversion Date, the conversion rate for each share of Mandatory Convertible Preferred Stock will be not more than 30.9406 shares of the Company’s Common Stock (the “Maximum Conversion Rate”) and not less than 25.7838 shares of the Company’s Common Stock (the “Minimum Conversion Rate”), depending on the Applicable Market Value of the Common Stock, as described below and subject to certain antidilution and other adjustments that are described in the Preliminary Prospectus Supplement.

The following table illustrates the conversion rate per share of Mandatory Convertible Preferred Stock, subject to certain anti-dilution and other adjustments that are described in the Preliminary Prospectus Supplement.

Applicable Market Value of the Common Stock	Conversion rate (number of shares of Common Stock to be received upon mandatory conversion of each share of Mandatory Convertible Preferred Stock)
Greater than \$19.39	25.7838 shares
Equal to or less than \$19.39 but greater than or equal to \$16.16	Between 25.7838 and 30.9406 shares, determined by dividing \$500 by the Applicable Market Value
Less than \$16.16	30.9406 shares

Conversion at the Option of the Holder:

At any time prior to the Mandatory Conversion Date, other than during a Fundamental Change Conversion Period, holders may elect to convert their Mandatory Convertible Preferred Stock in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock) at the Minimum Conversion Rate of 25.7838 shares of Common Stock per share of Mandatory Convertible Preferred Stock. This Minimum Conversion Rate is subject to certain anti-dilution adjustments. Because each Depositary Share represents a 1/10th fractional interest in a share of Mandatory Convertible Preferred Stock, a holder of Depositary Shares may only convert its depositary shares in lots of 10 Depositary Shares.

**Conversion at the Option of the Holder
upon a Fundamental Change;
Fundamental Change Dividend Make-
whole Amount:**

If the Company is the subject of specified Fundamental Changes (as defined in the Preliminary Prospectus Supplement) on or prior to the Mandatory Conversion Date, holders of the Mandatory Convertible Preferred Stock will have the right to

The exact Fundamental Change Share Price and Fundamental Change Effective Date may not be set forth in the table, in which case:

- if the Fundamental Change Share Price is between two Fundamental Change Share Price amounts on the table or the Fundamental Change Effective Date is between two dates on the table, the Fundamental Change Conversion Rate will be determined by straight-line interpolation between the Fundamental Change Conversion Rates set forth for the higher and lower Fundamental Change Share Price amounts and the two dates, as applicable, based on a 365-day year;
- if the Fundamental Change Share Price is in excess of \$100.00 per share (subject to adjustment as described above), then the Fundamental Change Conversion Rate will be the Minimum Conversion Rate, subject to adjustment; and
- if the Fundamental Change Share Price is less than \$5.00 per share (subject to adjustment as described above), then the Fundamental Change Conversion Rate will be the Maximum Conversion Rate, subject to adjustment.

DEBT OFFERING

On September 16, 2014, Alcoa Inc. filed a preliminary prospectus for an offering of senior unsecured debt securities, which we expect to be between \$1.0 billion and \$1.25 billion in aggregate principal amount, subject to market and other conditions. Assuming an offering of \$1.1 billion aggregate principal amount of debt securities is completed, Alcoa expects to receive net proceeds of \$1.088 billion, after giving effect to estimated underwriting discount and commissions and estimated offering expenses. The table under the heading “Capitalization” on page S-26 of the preliminary prospectus supplement filed on September 15, 2014 is hereby replaced with the table set forth below (amounts provided assume no exercise of the underwriters’ overallotment option in the Mandatory Convertible Preferred Stock Offering and an offering of \$1.1 billion aggregate principal amount of debt securities):

	As of June 30, 2014		
	Actual	As Adjusted for this Offering	As Further Adjusted for proposed Debt Offering and Use of Proceeds
	(unaudited, dollars in millions)		
Cash and cash equivalents	\$1,183	\$ 2,394	\$ 1,132
Short-term borrowings	\$ 133	\$ 133	\$ 133
Commercial paper	223	223	223
Long-term debt, including current portion	7,699	7,699	8,788
Total debt	\$8,055	\$ 8,055	\$ 9,144
Noncontrolling interests	\$3,029	\$ 3,029	\$ 3,029
Preferred Stock			
Class A Stock, \$100.00 par value per share; 660,000 shares authorized, 546,024 shares issued and outstanding, actual, as adjusted and as further adjusted	55	55	55
Mandatory Convertible Preferred Stock, \$1.00 par value per share; no shares authorized, issued and outstanding, actual; 2,500,000 shares authorized, issued and outstanding, as adjusted and as further adjusted	—	3	3

	As of June 30, 2014		
	Actual	As Adjusted for this Offering	As Further Adjusted for proposed Debt Offering and Use of Proceeds
	(unaudited, dollars in millions)		
Common stock, \$1.00 par value per share; 1,800,000,000 shares authorized, 1,267,290,820 shares issued and 1,174,130,317 shares outstanding, actual, as adjusted and as further adjusted ⁽¹⁾	1,267	1,267	1,267
Additional capital	7,635	8,843	8,843
Retained earnings	9,163	9,163	9,163
Treasury stock, at cost	(3,275)	(3,275)	(3,275)
Accumulated other comprehensive loss	(3,168)	(3,168)	(3,168)
Total equity	<u>\$14,706</u>	<u>\$ 15,917</u>	<u>\$ 15,917</u>
Total capitalization	<u>\$22,761</u>	<u>\$ 23,972</u>	<u>\$ 25,061</u>

(1) Amount of shares of common stock issued includes shares held in Alcoa's treasury.

We have filed a registration statement (including a preliminary prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement included in that registration statement and other documents we have filed with the SEC for more complete information about us and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we or the underwriters will arrange to send you the prospectus if you request it from either Morgan Stanley & Co. LLC by calling toll-free at 1-866-718-1649 or Credit Suisse Securities (USA) LLC by calling toll-free 1-800-221-1037.

Persons signing Lock-Up Agreements

Klaus Kleinfeld
Arthur D. Collins, Jr.
Kathryn S. Fuller
Judith M. Gueron
Michael G. Morris
E. Stanley O'Neal
James W. Owens
Carol L. Roberts
Patricia F. Russo
Martin S. Sorrell
Ratan N. Tata
Ernesto Zedillo
William F. Oplinger
Olivier M. Jarrault
Kay H. Meggers
Audrey Strauss
Robert S. Collins
Robert G. Wilt
Roy C. Harvey

**Form of Opinion of the General Counsel, an Assistant General Counsel
or a Counsel of the Company**

Opinion of the General Counsel, an Assistant General Counsel or a Counsel of the Company, pursuant to Section 5(d) of this Agreement shall state that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business substantially as described in the Time of Sale Information and the Prospectus and is duly qualified to do business as a foreign corporation in good standing in each jurisdiction where the nature of its business or property requires such qualification and in which failure to so qualify, in any individual jurisdiction or in the aggregate, would have a material adverse effect on its financial condition.
2. The outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable; and the shareholders of the Company have no preemptive rights with respect to the Convertible Preferred Stock or the Conversion Shares.
3. The Deposit Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid and binding agreement in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization or other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles.
4. Neither the execution or delivery by the Company of the Deposit Agreement, the Securities, the Conversion Shares in accordance with the terms of the Statement with Respect to Shares or this Agreement, nor the consummation by the Company of the transactions therein or herein contemplated, nor the fulfillment by the Company of the terms, conditions or provisions thereof or hereof has or will conflict with, violate or result in a breach of any federal law, administrative regulation or court decree applicable to the Company or any agreement or instrument known to such counsel to which the Company is a party or by which any of its properties or assets is bound, or constitute a default thereunder.
5. The Registration Statement has been declared effective under the Act, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of such Registration Statement or any parts thereof has been issued and no proceedings for that purpose or pursuant to Section 8A under the Act have been instituted or are pending or contemplated under the Act, and the Registration Statement, as of each effective date, and the Prospectus, as of its date, complied as to form in all material respects with the requirements of the

Act and the Rules and Regulations; such counsel has no reason to believe that the Registration Statement, as of its most recent effective date, or the Prospectus, as of its date or as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus, in the light of the circumstances under which they were made), or that the Time of Sale Information, at the Time of Sale, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statement, the Time of Sale Information and the Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown; and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus or the Time of Sale Information which are not described as required, nor of any contracts or documents of a character required to be described in any of the Registration Statement, the Time of Sale Information or the Prospectus or to be filed as exhibits to such Registration Statement which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement, the Time of Sale Information or the Prospectus.

6. This Agreement has been duly authorized, executed and delivered by the Company.
7. No approval, authorization or consent of any regulatory body in the United States of America is legally required in connection with the sale of the Securities to the Underwriters pursuant to the terms of the Underwriting Agreement and the issuance of shares of Common Stock upon conversion of the Convertible Preferred Stock pursuant to the terms of the Statement with Respect to Shares except (i) such as have been obtained under the Act, (ii) as may be required under the state securities or Blue Sky laws, (iii) the filing of the Statement with Respect to Shares with the Bureau of Corporations of the Department of State of the Commonwealth of Pennsylvania and (iv) such as may be required in connection with the listing of the Depository Shares and the shares of Common Stock issuable upon conversion thereof on the New York Stock Exchange.

Form of Opinion of K&L Gates LLP

Opinion of K&L Gates LLP, special counsel for the Company, pursuant to Section 5(e) of this Agreement shall state that:

(i) The shares of Convertible Preferred Stock represented by the Depositary Shares being delivered to the Underwriters at the Closing Date have been duly authorized and, when issued and delivered upon payment of the consideration for the Depositary Shares as provided in this Agreement, will be duly and validly issued, fully paid and nonassessable, and will have the rights set forth in the provisions of the Articles of Incorporation relevant to Class B Serial Preferred Stock of the Company and the Statement with Respect to Shares.

(ii) The shares of Convertible Preferred Stock, when so issued, delivered and paid for, will be convertible into shares of Common Stock of the Company in accordance with their terms; the Maximum Number of Conversion Shares have been duly authorized and reserved for issuance upon such conversion in accordance with the terms of the Securities and, when issued upon such conversion, will be validly issued, fully paid and nonassessable and conform in all material respects as to legal matters to the description thereof contained in the Time of Sale Information and the Prospectus under the caption "Description of Common Stock";

(iii) The Depositary Shares being delivered to the Underwriters at the Closing Date have been duly authorized and, when issued and delivered against payment therefor as provided in this Agreement, will be duly and validly issued and will be entitled to the rights under, and the benefits of, the Deposit Agreement;

(iv) The Statement with Respect to Shares has been duly authorized and executed by the Company and filed with the Bureau of Corporations of the Department of State of the Commonwealth of Pennsylvania;

(v) Neither the execution or delivery by the Company of the Deposit Agreement, the Securities, the Conversion Shares in accordance with the terms of the Statement with Respect to Shares or this Agreement, nor the consummation by the Company of the transactions therein or herein contemplated, nor the fulfillment by the Company of the terms, conditions or provisions thereof violates (A) Pennsylvania law or (B) any of the provisions of the Articles of Incorporation or By-Laws of the Company; *provided, however*, that we express no opinion regarding any Pennsylvania securities or "blue sky" law;

(vi) The provisions of the Articles of Incorporation relevant to Class B Serial Preferred Stock of the Company and the Statement with Respect to Shares, the Securities and the Common Stock conform in all material respects as to legal matters to the descriptions thereof contained in the Time of Sale Information and the Prospectus under the captions "Description of Mandatory Convertible Preferred Stock" and "Description of Common Stock"; and

(vii) The Company is not, and after giving effect to the offering and sale of the Securities and the application of the use of proceeds therefrom as described in the Time of Sale Information and the Prospectus under the caption "Use of Proceeds" will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "1940 Act"), that is registered or required to be registered under the 1940 Act.

Form of Opinion of Cleary Gottlieb Steen & Hamilton LLP

Opinion of Cleary Gottlieb Steen & Hamilton LLP, special counsel for the Company, pursuant to Section 5(f) of this Agreement shall state that:

1. The statements set forth under the heading "Certain U.S. Federal Tax Considerations" in the Prospectus, excluding the documents incorporated by reference therein, insofar as such statements purport to summarize certain federal income tax laws of the United States, constitute a fair summary of the principal U.S. federal income tax consequences of an investment in the Depositary Shares.

Form of Lock-up Agreement

_____, 2014

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC (collectively, the "**Representatives**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Alcoa Inc., a Pennsylvania corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several underwriters, including the Representatives (the "**Underwriters**"), of depositary shares (the "**Depositary Shares**") of the Company, each such Depositary Share representing a 1/10th interest in a share of its Class B Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share (the "**Convertible Preferred Stock**" and, together with the Depositary Shares, the "**Securities**"). The Convertible Preferred Stock will be convertible into a variable number of shares of common stock, par value \$1.00 per share, of the Company ("**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, and in recognition of the benefit that such an offering will confer upon the undersigned as a shareholder, officer and/or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period commencing on the date of the Underwriting Agreement and ending 30 days after the date of the final prospectus (the "**restricted period**") relating to the Public Offering (the "**Prospectus**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Securities, shares of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to:

(a) transfers of shares of Common Stock, Securities or any security convertible into Common Stock or Securities:

(1) as a *bona fide* gift or gifts;

(2) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

(3) by operation of law, such as rules of intestate succession or statutes governing the effects of a merger;

(4) pursuant to the exercise of any stock option or other award that would otherwise expire before February 1, 2015 granted pursuant to any Company program, including but not limited to, any form of "cashless" exercise generally available for such grants, *provided* that the net resulting shares from such stock option exercise are not transferred during the restricted period; or

(5) pursuant to the use of any Common Stock, Securities or stock options as collateral for a loan, *provided* that the holder of such collateral executes this agreement or an agreement in substantially similar form;

provided that in the case of any transfer or distribution pursuant to clause (a), (i) each donee, transferee or distributee shall sign and deliver an agreement substantially in the form of this letter for the balance of the restricted period and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock or Securities, shall be voluntarily made during the restricted period referred to in the foregoing sentence;

(b) (1) exercise of stock options or sales of shares of Common Stock or Securities pursuant to an existing trading plan pursuant to Rule 10b5-1 under the Exchange Act or (2) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock or Securities so long as such new plan does not provide for the sale of shares of Common Stock or Securities during the restricted period; or

(c) forfeitures, cancellations or surrenders of shares of Common Stock or Securities to the Company pursuant to any Company program, including under clawback provisions or upon termination of employment.

In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the restricted period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. A Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the applicable Underwriters.

Very truly yours,

(Name)

ALCOA INC.

\$1,250,000,000 5.125% Notes due 2024

UNDERWRITING AGREEMENT

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

September 17, 2014

1. **Introductory.** (a) Alcoa Inc., a Pennsylvania corporation (the “**Company**”), proposes to issue and sell to the several underwriters named in Schedule I hereto (the “**Underwriters**”), for whom you (the “**Representatives**”) are acting as representatives, an aggregate principal amount of \$1,250,000,000.00 of its 5.125% notes due 2024 (the “**Securities**”), to be issued under the indenture dated as of September 30, 1993 (the “**Original Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), as successor to J.P. Morgan Trust Company, National Association (formerly known as Chase Manhattan Trust Company, N.A.), as supplemented by the first supplemental indenture dated as of January 25, 2007 (the “**First Supplemental Indenture**”) between the Company and the Trustee, the second supplemental indenture dated as of July 15, 2008 (the “**Second Supplemental Indenture**”) between the Company and the Trustee, and the third supplemental indenture dated as of March 24, 2009 (the “**Third Supplemental Indenture**”), and together with the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the “**Indenture**”) between the Company and the Trustee.

(b) At or prior to the time when sales of the Securities were first made (the “**Time of Sale**”), the Company had prepared the following information (collectively, the “**Time of Sale Information**”): the Preliminary Prospectus Supplement dated September 16, 2014 and accompanying base prospectus dated July 30, 2014 (together, the “**Preliminary Prospectus**”), as filed by the Company pursuant to Rule 424(b)(3) of the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission (the “**Commission**”) thereunder (the “**Act**”), and each “free writing prospectus” (as defined pursuant to Rule 405 under the Act) identified in Schedule II hereto, including any final term sheet filed with the Commission pursuant to Rule 433 under the Act and attached hereto as Schedule III (the “**Final Term Sheet**”).

(c) The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The registration statement on Form S-3 (No. 333-197371), including a base prospectus relating to the Securities, has been filed with the Commission and has been declared effective. Such registration statement, as amended to the date of this underwriting agreement ("**Agreement**"), including any information deemed pursuant to Rule 430A, 430B or 430C under the Act to be part of the registration statement at the time of its effectiveness, is hereinafter referred to as the "**Registration Statement**", and the base prospectus relating to the Securities, as supplemented to reflect the final terms of the Securities and the terms of offering thereof, as first filed with the Commission pursuant to and in accordance with Rule 424(b) ("**Rule 424(b)**") under the Act, is hereinafter referred to as the "**Prospectus**". Any reference in this Agreement to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the most recent effective date of the Registration Statement or the date of the Preliminary Prospectus or the Prospectus, as the case may be, and any reference to "amend", "amendment" or "supplement" with respect to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "**Exchange Act**") that are deemed to be incorporated by reference therein.

(b) On its effective date and on the Closing Date (as defined below), the Registration Statement conformed, and will conform, in all respects to the requirements of the Act, the Trust Indenture Act of 1939 ("**Trust Indenture Act**") and the rules and regulations of the Commission ("**Rules and Regulations**") and did not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and as of its date and on the Closing Date, the Prospectus will conform in all respects to the requirements of the Act and the Rules and Regulations, and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the foregoing does not apply to statements in or omissions from any of such documents based upon written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein.

(c) The Time of Sale Information, at the Time of Sale did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Time of Sale Information.

(d) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Act) that constitutes an offer to sell or solicitation of any offer to buy the Securities (each such communication by the Company or its agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an “**Issuer Free Writing Prospectus**”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 under the Act, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed in Schedule II hereto, and (v) any electronic roadshow or other written communications, in each case, approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Notwithstanding the foregoing, the Company will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

(e) [Reserved].

(f) The financial statements and the related notes thereto, included or incorporated by reference in the Registration Statement and the Prospectus, present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their consolidated cash flows for the periods specified; and said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis, and the supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein.

(g) Except as otherwise disclosed in the Registration Statement or the Prospectus, within the past three years, neither the Company nor any of its significant subsidiaries (as such term is defined in Rule 405 of the Act) nor, to the Company’s knowledge, any director, officer, or employee, any agent or representative of the Company or of any of its significant subsidiaries, has taken any action, when acting on behalf of the Company or such significant subsidiaries, that would result in a violation of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “**FCPA**”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an

offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any “foreign official” (as such term is defined in the FCPA) (including any foreign political party or official thereof or any candidate for foreign political office) in contravention of the FCPA; and except as otherwise disclosed in the Registration Statement or the Prospectus, the Company and its significant subsidiaries have instituted and maintain policies and procedures designed to promote and achieve compliance in all material respects therewith.

(h) The Company, the operations of the Company and its significant subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including, to the extent applicable, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its significant subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency in such jurisdictions (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its significant subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened, except for any noncompliance or action, suit or proceeding that will not, individually or in the aggregate, have a material adverse effect on the ability of the Underwriters to sell the Securities in the manner contemplated by the Prospectus or on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries taken as a whole.

(i) (i) To the best knowledge of the Company, neither the Company nor any of its significant subsidiaries, nor any director, officer, or employee thereof, nor, to the Company’s knowledge, any agent or representative of the Company or any of its significant subsidiaries, is an individual or entity (“**Person**”) that is, or is majority-owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control (“**OFAC**”) or Her Majesty’s Treasury (“**HMT**”) (collectively, “**Sanctions**”), nor

(B) located, organized or resident in a country or territory (including, without limitation, as of the date hereof, Cuba, Iran, North Korea, Sudan and Syria) that is the subject of Sanctions that broadly restrict or prohibit dealings with that country or territory.

(ii) The Company will not, directly or, to the knowledge of the Company, indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions.

3. Purchase, Offering and Delivery. (a) The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective amounts of Securities set forth opposite such Underwriter's name in Schedule I hereto at a purchase price of 99.0% of the principal amount thereof, plus accrued and unpaid interest, if any, from September 22, 2014.

(b) The Representatives have advised the Company that the Underwriters propose to make a public offering of their respective portions of the Securities as soon after this Agreement has become effective as in the judgment of the Representatives is advisable. The Company acknowledges and agrees that the Underwriters may offer and sell Securities to or through any affiliate of an Underwriter and that such affiliate may offer and sell Securities purchased by it to or through any Underwriter.

(c) Payment for the Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Securities for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on September 22, 2014, or such other time and date as the Representatives and the Company may agree upon in writing (such date and time of delivery and payment being herein called the "**Closing Date**").

(d) Delivery of the Securities shall be made through the facilities of The Depository Trust Company ("**DTC**") and shall be in global form and deposited with the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee for DTC, unless the Representatives shall otherwise instruct.

4. Covenants of the Company. The Company covenants and agrees with the several Underwriters that in connection with the offering of the Securities:

(a) The Company will file any Issuer Free Writing Prospectus (including the Final Term Sheet) to the extent required by Rule 433 under the Act and will file the Preliminary Prospectus and the Prospectus with the Commission pursuant to and in accordance with Rule 424(b) not later than the time required by such rules.

(b) Prior to the Closing Date, the Company will advise the Representatives promptly of any proposal to prepare, use, authorize, approve, refer to or file any Issuer Free Writing Prospectus or to amend or supplement the Registration Statement or the Prospectus and will afford the Representatives a reasonable opportunity to comment on any such proposed Issuer Free Writing Prospectus or amendment or supplement and the Company will also advise the Representatives promptly of any use, authorization, approval, reference to or filing of any Issuer Free Writing Prospectus, the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings or any proceedings pursuant to Section 8A of the Act in respect of the Registration Statement or of any parts thereof and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued. Notwithstanding the foregoing, the Company will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

(c) (1) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, or required to be delivered but for Rule 172 under the Act (the "**Prospectus Delivery Period**"), any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances

under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company promptly will prepare and file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance and (2) if at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances, not misleading or (ii) it is necessary to amend or supplement the Time of Sale Information to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (b) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate, such amendments or supplements to the Time of Sale Information as may be necessary so that the statements in the Time of Sale Information as so amended or supplemented will not, in the light of the circumstances, be misleading or so that the Time of Sale Information will comply with law. Neither the Representatives' consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5.

(d) As soon as practicable, but not later than 16 months after the date of this Agreement, the Company will make generally available to its security-holders an earnings statement covering a period of at least 12 months beginning after the later of (i) the effective date of the Registration Statement, (ii) the effective date of the most recent post-effective amendment to the Registration Statement and (iii) the date of the Company's most recent Annual Report on Form 10-K filed with the Commission prior to the date of this Agreement, which will satisfy the provisions of Section 11(a) of the Act.

(e) The Company will furnish to the Representatives copies of the Registration Statement, including all exhibits, any prospectus, any related preliminary prospectus supplement, any related Issuer Free Writing Prospectus, any Time of Sale Information, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as are reasonably requested.

(f) The Company will arrange for the qualification of the Securities and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives designate and will continue such qualifications in effect so long as required for the distribution, provided that the Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation.

(g) During the period of three years after the date of this Agreement, the Company will furnish to the Representatives (i) as soon as available, a copy of each definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to shareholders, unless it is otherwise available on the Commission's EDGAR system, and (ii) from time to time, such other information concerning the Company as the Representatives may reasonably request.

(h) The Company will pay all expenses incident to the performance of its obligations under this Agreement and will reimburse the Underwriters for any expenses (including reasonable fees and disbursements of counsel) incurred by them in connection with qualification of the Securities for sale and determination of their eligibility for investment under

the laws of such jurisdictions as the Representatives may designate and the printing of memoranda relating thereto, for the filing fee, if any, of the Financial Industry Regulatory Authority relating to the Securities and for expenses incurred in distributing the Prospectus, the Preliminary Prospectus, any Issuer Free Writing Prospectus and any Time of Sale Information to Underwriters.

(i) The Company hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period beginning on the date hereof and ending on the Closing Date, offer, sell, contract to sell or otherwise dispose of any securities of the Company (other than pursuant to director or employee stock or other benefit plans existing or the conversion of convertible securities outstanding on the date hereof) which are substantially similar to its United States dollar-denominated debt securities having a maturity of more than one year.

(j) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated as of the date of this Agreement, of PricewaterhouseCoopers LLP, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement.

(b) The Prospectus and each Issuer Free Writing Prospectus (if required by Rule 433 under the Act) shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) of this Agreement. No stop order suspending the effectiveness of the Registration Statement or of any parts thereof shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Act shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission.

(c) Subsequent to the earlier of (A) the Time of Sale and (B) the execution of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in or affecting particularly the business or properties of the Company, or its subsidiaries which, in the judgment of a majority in interest of the Underwriters, including any Representatives, materially impairs the investment quality of the Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or the setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on such exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; or (v) any outbreak or escalation of

major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters, including any Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the sale of and payment for the Securities.

(d) The Representatives shall have received an opinion or opinions, dated the Closing Date, of the General Counsel, an Assistant General Counsel or a Counsel of the Company substantially in the form of Annex I(a) hereto.

(e) The Representatives shall have received an opinion, dated the Closing Date, of K&L Gates LLP, special counsel for the Company, substantially in the form of Annex I(b) hereto.

(f) The Representatives shall have received from Cravath, Swaine & Moore LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Securities, the Registration Statement, the Time of Sale Information, the Prospectus and other related matters as they may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Cravath, Swaine & Moore LLP may rely as to the incorporation of the Company and all other matters governed by Pennsylvania law, upon the opinions referred to in subsections (d) and (e) of this Section.

(g) The Representatives shall have received a certificate, dated the Closing Date, of the Chairman of the Board, President or any Vice-President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, that no stop order suspending the effectiveness of the Registration Statement or of any parts thereof has been issued and no proceedings for that purpose or pursuant to Section 8A of the Act have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change in the financial position or results of operations of the Company and its subsidiaries considered in the aggregate, except as set forth in or contemplated by the Time of Sale Information and the Prospectus.

(h) The Representatives shall have received a letter, dated the Closing Date, of PricewaterhouseCoopers LLP, in form and substance satisfactory to the Underwriters, which reconfirms the matters set forth in their letter delivered pursuant to subsection (a) of this Section and covers any additional financial information included in the Prospectus (which is not covered by their letter delivered pursuant to subsection (a) of this Section).

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents they reasonably request.

6. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration

Statement or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Time of Sale Information, or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Time of Sale Information, or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives, if any, specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such

action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that actual conflicts of interest exist between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there are legal defenses relating to a material aspect of such action available to it or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to control, and otherwise participate in, the defense of such action and the indemnifying party will reimburse any legal or other expenses reasonably incurred by the indemnified party in connection with investigating or defending such action as such expenses are incurred.

(d) If recovery is not available under the foregoing indemnification provisions of this Section, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Act. Each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other equitable considerations appropriate under the circumstances. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the second sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter and its controlling persons have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

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

7. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Securities under this Agreement on the Closing Date and the principal amount of Securities which such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total principal amount of the Securities to be purchased on such date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments under this Agreement, to purchase the Securities that such defaulting Underwriters agreed but failed to purchase. If any Underwriter or Underwriters so default and the principal amount of the Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of the Securities to be purchased on such date and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 8. In all other cases, unless otherwise specified in this Agreement, if any Underwriter or Underwriters default in their obligations to purchase Securities under the terms of this Agreement and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 8. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person and will survive delivery of and payment for the Securities. If for any reason the purchase of the Securities by the Underwriters under this Agreement is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriters pursuant to Section 6 shall remain in effect.

9. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not and will not use, authorize use of, refer to, or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that is not an "issuer free writing prospectus as defined in Rule 433 under the Act that contains only preliminary terms of the Securities and offering or information permitted by Rule 134 under the Act, (ii) the Final Term Sheet or any Issuer Free Writing Prospectus prepared pursuant to Section 1(b) or Section 4(c) above (including any electronic road show) or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing. Notwithstanding the foregoing, the Underwriters may use a term sheet, substantially in the form of the Final Term Sheet attached in Schedule III hereto, without the consent of the Company.

(b) It is not subject to any pending proceeding under Section 8A of the Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

(c) It will, pursuant to reasonable procedures developed in good faith, retain copies of each free writing prospectus used or referred to by it, in accordance with Rule 433 under the Act.

(d) Notwithstanding the foregoing, it will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus that does not satisfy the conditions of Rule 164(e)(2) under the Act.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telecopied and confirmed to the Representatives at: Morgan Stanley & Co. LLC, 1585 Broadway, New York, NY 10036, Attn: Legal Department, and Credit Suisse Securities (USA) LLC, 11 Madison Avenue, New York, NY 10010, facsimile number (212) 743-1207 or, if sent to the Company, will be mailed, delivered or telecopied and confirmed to it at Alcoa Inc., 390 Park Avenue, New York, New York 10022-4608, Attention: Treasurer.

11. Successors. This Agreement will inure to the benefit of and be binding upon the Company and the Underwriters and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

12. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

13. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

[Signature Page follows]

Very truly yours,

ALCOA INC.

By: /s/ Peter Hong

Name: Peter Hong

Title: Vice President and Treasurer

[Signature Page to Debt Underwriting Agreement]

Accepted as of the date first written above.

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I hereto.

MORGAN STANLEY & CO. LLC

By: /s/ Yurij Slyz
Name: Yuri Slyz
Title: Executive Director

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Andrew Lipsky
Name: Andrew Lipsky
Title: Managing Director

<u>Underwriters</u>	<u>Principal Amount of Securities to be Purchased</u>
Morgan Stanley & Co. LLC	\$ 475,000,000.00
Credit Suisse Securities (USA) LLC	\$ 300,000,000.00
Citigroup Global Markets Inc.	\$ 60,500,000.00
Goldman, Sachs & Co.	\$ 60,500,000.00
J.P. Morgan Securities LLC	\$ 60,500,000.00
BNP Paribas Securities Corp.	\$ 50,000,000.00
Mitsubishi UFJ Securities (USA), Inc.	\$ 50,000,000.00
RBC Capital Markets, LLC	\$ 50,000,000.00
RBS Securities Inc.	\$ 50,000,000.00
ANZ Securities, Inc.	\$ 19,500,000.00
Banca IMI S.p.A.	\$ 5,000,000.00
Banco Bradesco BBI S.A.	\$ 5,000,000.00
BB Securities Ltd	\$ 600,000.00
BBVA Securities Inc.	\$ 7,000,000.00
BNY Mellon Capital Markets, LLC	\$ 7,000,000.00
Credit Agricole Securities (USA) Inc.	\$ 5,000,000.00
Mizuho Securities USA Inc.	\$ 2,300,000.00
PNC Capital Markets LLC	\$ 2,500,000.00
Sandler O'Neill + Partners, L.P.	\$ 2,500,000.00
SG Americas Securities, LLC	\$ 2,500,000.00
SMBC Nikko Securities America, Inc.	\$ 5,000,000.00
Standard Chartered Bank	\$ 2,500,000.00
TD Securities (USA) LLC	\$ 600,000.00
The Williams Capital Group, L.P.	\$ 7,000,000.00
U.S. Bancorp Investments, Inc.	\$ 19,500,000.00
Total	\$ 1,250,000,000.00

Issuer Free Writing Prospectuses

- A. Free writing prospectus filed with the Commission on September 17, 2014, substantially in the form of Schedule III.
- B. Other Free Writing Prospectuses
 - 1. None.

Pricing Term Sheet**Alcoa Inc.****\$1,250,000,000 5.125% Notes due 2024**

Dated: September 17, 2014

This term sheet to the preliminary prospectus supplement dated September 16, 2014 should be read together with the preliminary prospectus supplement before making a decision in connection with an investment in the securities. The information in this term sheet supersedes the information contained in the preliminary prospectus supplement to the extent that it is inconsistent therewith. Terms used but not defined herein have the meaning ascribed to them in the preliminary prospectus supplement.

Issuer:	Alcoa Inc.
Title of Securities:	5.125% Notes due 2024
Pricing Date/Closing Date:	September 17, 2014 / September 22, 2014
Aggregate Principal Amount Offered:	\$1,250,000,000
Maturity Date:	October 1, 2024
Coupon (Interest Rate):	5.125%
Price to Public (Issue Price):	100% of principal, plus accrued interest, if any, from September 22, 2014
Benchmark Treasury:	2.375% UST due August 15, 2024
Benchmark Treasury Price and Yield:	98-09; 2.572%
Spread to Benchmark Treasury:	+255.3 bps
Yield to Maturity:	5.125%
Interest Payment Dates:	Semi-annually in arrears on April 1 and October 1 of each year, commencing April 1, 2015
Debt Ratings:*	Reserved.
Optional Redemption:	Make-whole at T + 40 bps at any time before July 1, 2024; par call at any time on or after July 1, 2024

Change of Control Offer:	If a change of control triggering event occurs with respect to the Notes, the issuer will be required, subject to certain conditions, to offer to repurchase the Notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase.
Mandatory Redemption Upon Acquisition Termination:	If an Acquisition Termination Redemption Event occurs, the issuer will be required to redeem the Notes, in whole but not in part, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to the redemption date.
Joint Bookrunners:	Morgan Stanley & Co. LLC Credit Suisse Securities (USA) LLC Citigroup Global Markets Inc. Goldman, Sachs & Co. J.P. Morgan Securities LLC
Lead Managers:	BNP Paribas Securities Corp. Mitsubishi UFJ Securities (USA), Inc. RBC Capital Markets, LLC RBS Securities Inc.
Co-Managers:	ANZ Securities, Inc. Banca IMI S.p.A. Banco Bradesco BBI S.A. BB Securities Ltd. BBVA Securities Inc. BNY Mellon Capital Markets, LLC Credit Agricole Securities (USA) Inc. Mizuho Securities USA Inc. PNC Capital Markets LLC Sandler O'Neill + Partners, L.P. SG Americas Securities, LLC SMBC Nikko Securities America, Inc. Standard Chartered Bank TD Securities (USA) LLC The Williams Capital Group, L.P. U.S. Bancorp Investments, Inc.
CUSIP/ISIN:	013817 AW1 / US013817AW16

We have filed a registration statement (including a preliminary prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement included in that registration statement and other documents we have filed with the SEC for more complete information about us and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we or the underwriters will arrange to send you the prospectus if you request it from either Morgan Stanley & Co. LLC by calling toll-free at 1-866-718-1649 or Credit Suisse Securities (USA) LLC by calling toll-free 1-800-221-1037.

* **Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

Recent Developments

On September 16, 2014, Alcoa Inc. (the “Company”) announced the pricing of its public offering of 25,000,000 depositary shares (“Depositary Shares”) at \$50 per Depositary Share (the “Depositary Shares Offering”). Each Depositary Share represents a 1/10th interest in a share of the Company’s 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share. In addition, the underwriters of the Depositary Shares Offering have an option to purchase up to an additional 3,750,000 Depositary Shares to cover over-allotments, if any. Net proceeds from the Depositary Shares Offering, after deducting underwriting discount and commissions and estimated offering expenses, are expected to be approximately \$1.2 billion. If the underwriters exercise their over-allotment option in full, net proceeds are expected to be approximately \$1.4 billion.

**Form of Opinion of the General Counsel, an Assistant General Counsel or a
Counsel of the Company**

Opinion of the General Counsel, an Assistant General Counsel or a Counsel of the Company, pursuant to Section 5(d) of this Agreement shall state that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business substantially as described in the Time of Sale Information and the Prospectus and is duly qualified to do business as a foreign corporation in good standing in each jurisdiction where the nature of its business or property requires such qualification and in which failure to so qualify, in any individual jurisdiction or in the aggregate, would have a material adverse effect on its financial condition.
2. The Securities have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, will be valid and binding obligations of the Company, in each case enforceable against the Company in accordance with their respective terms, except as the enforceability thereof is subject to the effects of (i) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws relating to or affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) any implied covenants of good faith and fair dealing; the Securities will be entitled to the benefits of the Indenture and the Securities and the Indenture will conform in all material respects to the respective descriptions thereof in the Time of Sale Prospectus and the Prospectus under the caption "Description of the Notes".
3. The Indenture has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act, and constitutes a valid and binding instrument in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization or other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles.
4. Neither the execution or delivery by the Company of the Indenture, the Securities or this Agreement nor the consummation by the Company of the transactions therein or herein contemplated nor the fulfillment by the Company of the terms, conditions or provisions thereof or hereof has or will (A) conflict with, violate or result in a breach of any federal law, administrative regulation or court decree applicable to the Company, or (B) conflict with, or result in a breach of, any of the terms, conditions or provisions of the Articles or By-laws of the Company or any agreement or instrument known to such counsel, to which the Company is a party or by which any of its properties or assets is bound, or constitute a default thereunder.

5. The Registration Statement has been declared effective under the Act, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of such Registration Statement or any parts thereof has been issued and no proceedings for that purpose or pursuant to Section 8A under the Act have been instituted or are pending or contemplated under the Act, and the Registration Statement, as of each effective date, and the Prospectus, as of its date, complied as to form in all material respects with the requirements of the Act and the Rules and Regulations; such counsel has no reason to believe that the Registration Statement, as of its most recent effective date, or the Prospectus, as of its date or as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus, in the light of the circumstances under which they were made), or that the Time of Sale Information, at the Time of Sale, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statement, the Time of Sale Information and the Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown; and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus or the Time of Sale Information which are not described as required, nor of any contracts or documents of a character required to be described in any of the Registration Statement, the Time of Sale Information or the Prospectus or to be filed as exhibits to such Registration Statement which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement, the Time of Sale Information or the Prospectus.
6. This Agreement has been duly authorized, executed and delivered by the Company.
7. No approval, authorization or consent of any regulatory body in the United States of America is legally required in connection with the sale of the Securities to the Underwriters pursuant to the terms of this Agreement or the transactions herein or therein contemplated except such as have been obtained under the Act and as may be required under the state securities or Blue Sky laws.

Form of Opinion of K&L Gates LLP

Opinion of K&L Gates LLP, special counsel for the Company, pursuant to Section 5(e) of this Agreement shall state that:

(i) The Company is not, and after giving effect to the offering and sale of the Securities and the application of the use of proceeds therefrom as described in the Time of Sale Information and the Prospectus under the caption "Use of Proceeds" will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "1940 Act"), that is registered or required to be registered under the 1940 Act.

Statement with Respect to Shares
Domestic Business Corporation
(15 Pa.C.S. § 1522)

Name K&L Gates LLP		
Address 210 Sixth Avenue		
City Pittsburgh	State PA	Zip Code 15222
COUNTER PICK-UP		

Document will be returned to the name and address you enter to the left.

Fee: \$70

In compliance with the requirements of 15 Pa.C.S. § 1522(b) (relating to statement with respect to shares), the undersigned corporation, desiring to state the designation and voting rights, preferences, limitations, and special rights, if any, of a class or series of its shares, hereby states that:

1. The name of the corporation is:
Alcoa Inc.

2. Check and complete one of the following:

The resolution amending the Articles under 15 Pa.C.S. § 1522(b) (relating to divisions and determinations by the board), set forth in full, is as follows:

The resolution amending the Articles under 15 Pa.C.S. § 1522(b) is set forth in full in Exhibit A attached hereto and made a part hereof.

3. The aggregate number of shares of such class or series established and designated by (a) such resolution, (b) all prior statements, if any, filed under 15 Pa.C.S. § 1522 or corresponding provisions of prior law with respect thereto, and (c) any other provision of the Articles is 2,875,000 shares.

4. The resolution was adopted by the Board of Directors or an authorized committee thereon on:

September 16, 2014

5. Check, and if appropriate complete, one of the following:

The resolution shall be effective upon the filing of this statement with respect to shares in the Department of State.

The resolution shall be effective on: _____ at _____.
Date Hour

IN TESTIMONY WHEREOF, the undersigned corporation has caused this statement to be signed by a duly authorized officer thereof this

22 day of September, 2014.

Alcoa Inc.

Name of Corporation

/s/ Peter Hong

Signature

Vice President and Treasurer

Title

**EXHIBIT A TO
STATEMENT WITH RESPECT TO SHARES
AMENDING THE
ARTICLES OF INCORPORATION OF
ALCOA INC.
5.375% MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1**

RESOLVED, that pursuant to Section 1522(b) of the Pennsylvania Business Corporation Law of 1988, as amended (“PBCL”), and Section 1 of Article FIFTH of the Company’s Articles of Incorporation (“Articles”), there is hereby designated and established a series of Class B Serial Preferred Stock of the Company, denominated as the “5.375 % Mandatory Convertible Preferred Stock, Series 1” (the “Mandatory Convertible Preferred Stock”), and the Pricing Committee hereby fixes and determines the number of such shares and, subject to the provisions of such Article FIFTH, the relative rights and preferences of such shares as set forth in **Exhibit A** hereto (the “Mandatory Convertible Preferred Stock Terms”)

Exhibit A
(to Pricing Committee Resolutions September 16, 2014)

TERMS OF 5.375% MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1

SECTION 1. *Designation; Number of Shares; Ranking.* The series of Class B Series Preferred Stock shall be designated as the Corporation's 5.375% Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share (the "**Mandatory Convertible Preferred Stock**").

The number of shares of Mandatory Convertible Preferred Stock authorized to be issued shall be 2,500,000 (as increased from time to time, up to an aggregate of 2,875,000 shares of Mandatory Convertible Preferred Stock, by an amount equal to the number of any additional shares of Mandatory Convertible Preferred Stock underlying the Corporation's depository shares purchased by the underwriters named in the Underwriting Agreement pursuant to the exercise of their overallotment option as set forth therein), which number the Board of Directors may decrease (but not below the number of shares of the series then outstanding).

Each share of Mandatory Convertible Preferred Stock shall be identical in all respects to every other share of Mandatory Convertible Preferred Stock. The Mandatory Convertible Preferred Stock, with respect to dividend rights and rights upon the liquidation, winding up or dissolution of the Corporation, ranks:

- (a) senior to (i) Common Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon any liquidation, dissolution or winding up of the Corporation (collectively, "**Junior Stock**");
- (b) on parity with (i) any other series of Class B Serial Preferred Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which expressly provide that such class or series will rank on parity with the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon any liquidation, dissolution or winding up of the Corporation (collectively, "**Parity Stock**");
- (c) junior to (i) the Serial Preferred Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which expressly provide that such class or series will rank senior to the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon the liquidation, dissolution or winding up of the Corporation (collectively, "**Senior Stock**"); and
- (d) junior to the Corporation's existing and future indebtedness.

For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not authorize or create any shares of its capital stock that are not Junior Stock, Parity Stock, or Senior Stock.

SECTION 2. *Standard Definitions.* As used herein with respect to the Mandatory Convertible Preferred Stock:

"**Accumulated Dividend Amount**" shall mean, with respect to any Fundamental Change, the aggregate amount of undeclared, accumulated and unpaid dividends, if any, on the Mandatory Convertible Preferred Stock for all Dividend Periods prior to the Fundamental Change Effective Date of the relevant Fundamental Change, including for the partial Dividend Period, if any, from, and including, the Dividend Payment Date immediately preceding such Fundamental Change Effective Date to, but excluding, such Fundamental Change Effective Date.

"**Acquisition**" means the Corporation's acquisition of the Firth Rixson business.

"**Acquisition Termination Conversion Rate**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Dividend Amount**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Event**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Make-whole Amount**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Market Value**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Redemption**" means a redemption of the Mandatory Convertible Preferred Stock in accordance with the provisions of Section 5.

"**Acquisition Termination Redemption Date**" shall have the meaning set forth in Section 5.

“**Acquisition Termination Share Price**” shall have the meaning set forth in Section 5.

“**ADRs**” shall have the meaning set forth in Section 13(e).

“**Agent Members**” shall have the meaning set forth in Section 21.

“**Applicable Market Value**” means the Average VWAP per Common Share over the 20 consecutive Trading Day period commencing on and including, the 22nd Scheduled Trading Day prior to the Mandatory Conversion Date.

“**Articles of Incorporation**” shall mean the Corporation’s Articles of Incorporation, as amended from time to time.

“**Average Price**” shall have the meaning set forth in Section 3(c)(iii).

“**Average VWAP**” means the average of the VWAP per share for each Trading Day in the relevant period.

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

“**Board of Directors**” means the Board of Directors of the Corporation and shall include any authorized committee of such Board of Directors.

“**Business Day**” means any day other than a Saturday or Sunday or any other day on which commercial banks in New York City are authorized or required by law or executive order to close.

“**By-laws**” means the By-laws of the Corporation, as they may be amended or restated from time to time.

“**Clause I Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Clause II Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Clause IV Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Common Share**” means a share of the Common Stock.

“**Common Stock**” means the Common Stock, par value \$1.00 per share, of the Corporation.

“**Conversion, Dividend Disbursing and Redemption Agent**” shall initially mean Computershare Inc., the Corporation’s duly appointed conversion, dividend disbursing and redemption agent for the Mandatory Convertible Preferred Stock, and any successor appointed under Section 14.

“**Conversion Date**” shall have the meaning set forth in Section 3(a).

“**Corporation**” shall mean Alcoa Inc.

“**Current Market Price**” per Common Share (or, in the case of Section 13(a)(iv), per Common Share, or per unit of capital stock or equity interest, as applicable) on any date means for the purposes of determining an adjustment to the Fixed Conversion Rates:

(i) for purposes of any adjustment pursuant to Section 13(a)(ii), Section 13(a)(iv) (in the event of an adjustment not relating to a Spin-Off), or Section 13(a)(v), the Average VWAP per Common Share over the five consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Date with respect to the issuance or distribution requiring such computation;

(ii) for purposes of any adjustment pursuant to Section 13(a)(iv) relating to a Spin-Off, the Average VWAP per Common Share, capital stock or equity interests of the subsidiary or other business unit being distributed, as applicable, over the first ten consecutive Trading Days commencing on and including the fifth Trading Day immediately following the effective date of such distribution; and

(iii) for purposes of any adjustment pursuant to Section 13(a)(vi), the Average VWAP per Common Share over the ten consecutive Trading Day period commencing on and including the Trading Day next succeeding the Expiration Date of the relevant tender offer or exchange offer.

“**Depository**” means DTC or its nominee or any successor.

“**Direct Treasury Shares**” shall mean shares heretofore or hereafter acquired by the Corporation and deemed to be issued but not outstanding under section 1552(a) of the Pennsylvania Business Corporation Law of 1988, as amended, or any successor provision.

“**Dividend Payment Date**” means January 1, April 1, July 1 and October 1 of each year commencing on January 1, 2015, to and including the Mandatory Conversion Date.

“**Dividend Period**” means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Initial Issue Date and shall end on, and exclude, the Dividend Payment Date occurring on January 1, 2015.

“**Dividend Rate**” shall have the meaning set forth in Section 3(a).

“**DTC**” means The Depository Trust Corporation.

“**Early Conversion**” shall have the meaning set forth in Section 8(a).

“**Early Conversion Additional Conversion Amount**” shall have the meaning set forth in Section 8(b).

“**Early Conversion Average Price**” shall have the meaning set forth in Section 8(b).

“**Early Conversion Date**” shall have the meaning set forth in Section 10(b).

“**Early Conversion Settlement Period**” shall have the meaning set forth in Section 8(b).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“**Exchange Property**” shall have the meaning set forth in Section 13(e).

“**Ex-Date,**” when used with respect to any issuance or distribution, means the first date on which Common Shares trade without the right to receive such issuance or distribution.

“**Expiration Date**” shall have the meaning set forth in Section 13(a)(vi).

“**Fair Market Value**” means the fair market value as determined in good faith by the Board of Directors, whose determination shall be final and set forth in a resolution of the Board of Directors.

“**Fixed Conversion Rates**” means the Maximum Conversion Rate and the Minimum Conversion Rate.

“**Floor Price**” shall have the meaning set forth in Section 3(e).

A “**Fundamental Change**” shall be deemed to have occurred, at any time after the Initial Issue Date, upon: (i) the consummation of any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, recapitalization or otherwise) in connection with which 90% or more of the outstanding Common Stock is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration 10% or more of which is not common stock that is listed on, or immediately after the transaction or event will be listed on, any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market; (ii) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable), other than the Corporation, any of the Corporation’s majority-owned subsidiaries or any of the Corporation’s or the Corporation’s majority-owned subsidiaries’ employee benefit plans, becoming the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of capital stock then outstanding entitled to vote generally in elections of the Corporation’s directors; or (iii) the Common Stock (or, following a Reorganization Event, any common stock, depositary receipts or other securities representing common equity interests into which the Mandatory Convertible Preferred Stock becomes convertible in connection with such Reorganization Event) ceases to be listed for trading on the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or another United States national securities exchange.

“**Fundamental Change Conversion**” shall have the meaning set forth in Section 9(a).

“**Fundamental Change Conversion Date**” shall have the meaning set forth in Section 10(c).

“**Fundamental Change Conversion Period**” shall have the meaning set forth in Section 9(a).

“**Fundamental Change Conversion Rate**” means, for any Fundamental Change Conversion, the conversion rate set forth in the table below for the Fundamental Change Effective Date and the Fundamental Change Share Price applicable to such Fundamental Change:

Fundamental Change Effective Date	Fundamental Change Share Price on Fundamental Change Effective Date													
	\$5.00	\$10.00	\$15.00	\$16.16	\$17.00	\$18.00	\$19.39	\$25.00	\$30.00	\$40.00	\$50.00	\$65.00	\$80.00	\$100.00
September 22, 2014	28.8937	28.2303	26.5805	26.3172	26.1174	25.9372	25.7370	25.3532	25.2994	25.3692	25.4361	25.4875	25.5124	25.5313
October 1, 2015	29.5177	29.1726	27.2811	27.7978	26.6539	26.4025	26.1199	25.5708	25.4790	25.5142	25.5531	25.5819	25.5973	25.6016
October 1, 2016	30.1631	30.2222	28.3056	29.3228	27.3764	26.9829	26.5375	25.7377	25.6353	25.6486	25.6643	25.6780	25.6865	25.6951
October 1, 2017	30.9406	30.9406	30.9406	30.9406	29.4118	27.7778	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838

If the Fundamental Change Share Price falls between two Fundamental Change Share Prices set forth in the table above, or if the Fundamental Change Effective Date falls between two Fundamental Change Effective Dates set forth in the table above, the Fundamental Change Conversion Rate shall be determined by straight-line interpolation between the Fundamental Change Conversion Rates set forth for the higher and lower Fundamental Change Share Prices and the earlier and later Fundamental Change Effective Dates based on a 365-day year, as applicable.

If the Fundamental Change Share Price is in excess of \$100.00 per share (subject to adjustment in the same manner as adjustments are made to the Fundamental Change Share Price in accordance with the provisions of Section 13(c)(iv)), then the Fundamental Change Conversion Rate shall be the Minimum Conversion Rate.

If the Fundamental Change Share Price is less than \$5.00 per share (subject to adjustment in the same manner as adjustments are made to the Fundamental Change Share Price in accordance with the provisions of Section 13(c)(iv)), then the Fundamental Change Conversion Rate shall be the Maximum Conversion Rate.

The Fundamental Change Share Prices in the column headings in the table above are subject to adjustment in accordance with the provisions of Section 13(c)(iv). The Fundamental Change Conversion Rates set forth in the table above are each subject to adjustment in the same manner as each Fixed Conversion Rate as set forth in Section 13.

“Fundamental Change Dividend Make-whole Amount” shall have the meaning set forth in Section 9(d)(i)(A).

“Fundamental Change Effective Date” shall have the meaning set forth in Section 9(a).

“Fundamental Change Notice” shall have the meaning set forth in Section 9(b).

“Fundamental Change Share Price” means, for any Fundamental Change, (i) if the holders of Common Shares receive only cash in such Fundamental Change, the amount of cash paid in such Fundamental Change per Common Share, and (ii) if the holders of Common Shares receive any property other than cash in such Fundamental Change, the Average VWAP per Common Share over the 10 consecutive Trading Day period ending on, and including, the Trading Day preceding the Fundamental Change Effective Date; *provided, however*, that if the Corporation elects to pay any portion of a Fundamental Change Dividend Make-whole Amount or of the Accumulated Dividend Amount in Common Shares, then, solely for purposes of calculating the number of Common Shares payable in respect of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount, the Fundamental Change Share Price shall be the average VWAP per Common Share over the 10 consecutive Trading Day period beginning on the Trading Day next succeeding the Fundamental Change Effective Date.

“Global Preferred Shares” shall have the meaning set forth in Section 21.

“Holder” means each person in whose name shares of the Mandatory Convertible Preferred Stock are registered, who shall be treated by the Corporation and the Registrar as the absolute owner of those shares of Mandatory Convertible Preferred Stock for the purpose of making payment and settling conversions and for all other purposes.

“Initial Dividend Threshold” shall have the meaning set forth in Section 13(a)(v).

“Initial Issue Date” means September 22, 2014, the first original issue date of shares of the Mandatory Convertible Preferred Stock.

“Initial Price” shall have the meaning set forth in Section 7(b)(ii).

“Junior Stock” shall have the meaning set forth in Section 1.

“Liquidation Dividend Amount” shall have the meaning set forth in Section 4(a).

“Liquidation Preference” means, as to the Mandatory Convertible Preferred Stock, \$500 per share.

“Mandatory Conversion” shall have the meaning set forth in Section 7(a).

“Mandatory Conversion Additional Conversion Amount” shall have the meaning set forth in Section 7(c).

“Mandatory Conversion Date” means October 1, 2017.

“Mandatory Conversion Rate” shall have the meaning set forth in Section 7(b).

“Mandatory Convertible Preferred Stock” shall have the meaning set forth in Section 1.

“Maximum Conversion Rate” shall have the meaning set forth in Section 7(b)(iii).

“Minimum Conversion Rate” shall have the meaning set forth in Section 7(b)(i).

“**Officer**” means the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Treasurer or the Secretary of the Corporation.

“**Officer’s Certificate**” means a certificate of the Corporation, signed by any duly authorized Officer of the Corporation.

“**Parity Stock**” shall have the meaning set forth in Section 1.

“**Person**” means any individual, partnership, firm, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

“**Prospectus Supplement**” means the prospectus supplement, dated September 16, 2014, to the prospectus dated July 30, 2014, relating to the offering and sale of shares of Mandatory Convertible Preferred Stock.

“**Purchase Agreement**” means the purchase agreement, dated as of June 25, 2014, among the Corporation, FR Acquisition Corporation (US), Inc., FR Acquisitions Corporation (Europe) Limited, FR Acquisition Finance Subco (Luxembourg), S.à.r.l., Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P., as the same may be amended or supplemented from time to time.

“**Qualifying Market**” means the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or another United States national securities exchange.

“**Record Date**” means, with respect to any Dividend Payment Date, the December 15, March 15, June 15 or September 15 immediately preceding the applicable January 1, April 1, July 1 or October 1 Dividend Payment Date, respectively. These Record Dates shall apply regardless of whether a particular Record Date is a Business Day.

“**Record Holder**” means, with respect to any Dividend Payment Date, a Holder of record of any shares of the Mandatory Convertible Preferred Stock as such Holder appears on the stock register of the Corporation at 5:00 p.m., New York City time, on the related Record Date.

“**Reference Amount**” shall have the meaning set forth in Section 5.

“**Registrar**” shall initially mean Computershare Trust Company, N.A., the Corporation’s duly appointed registrar for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Reorganization Event**” shall have the meaning set forth in Section 13(e).

“**Scheduled Trading Day**” means any day that is scheduled to be a Trading Day.

“**Senior Stock**” shall have the meaning set forth in Section 1.

“**Serial Preferred Stock**” shall mean the Serial Preferred Stock authorized under Article FIFTH of the Articles of Incorporation.

“**Shelf Registration Statement**” shall mean a shelf registration statement filed with the Securities and Exchange Commission in connection with the issuance of or resales of Common Shares issued as payment of a dividend or other amounts issuable in respect of the Mandatory Convertible Preferred Stock, including dividends paid in connection with a conversion.

“**Share Dilution Amount**” shall have the meaning set forth in Section 3(b).

“**Spin-Off**” means a dividend or other distribution (including, for these purposes only, a division under the Pennsylvania Business Corporation Law or any successor statute) by the Corporation to all holders of Common Shares consisting of capital stock of, or similar equity interests in, or relating to a subsidiary or other business unit of the Corporation.

“**Statement with Respect to Shares**” means the Statement with Respect to Shares filed with the Bureau of Corporations of the Department of State of the Commonwealth of Pennsylvania with respect to the Mandatory Convertible Preferred Stock, as it may be amended from time to time.

“**Threshold Appreciation Price**” shall have the meaning set forth in Section 7(b)(i).

“**Trading Day**” means a day on which the Common Stock:

(a) is not suspended from trading, and on which trading in the Common Stock is not limited, on any national or regional securities exchange or association or over-the-counter market during any period or periods aggregating one half-hour or longer; and

(b) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock; *provided that* if the Common Stock is not traded on any such exchange, association or market, “**Trading Day**” means any Business Day.

“**Transfer Agent**” shall initially mean Computershare Trust Company, N.A., the Corporation’s duly appointed transfer agent for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Trigger Event**” shall have the meaning set forth in Section 13(a)(iv).

“**Underwriting Agreement**” means the Underwriting Agreement relating to the Mandatory Convertible Preferred Stock and the depositary shares representing the Mandatory Convertible Preferred Stock, dated September 16, 2014, among the Corporation and the underwriters named therein.

“**Unit of Exchange Property**” shall have the meaning set forth in Section 13(e).

“**VWAP**” per Common Share on any Trading Day means the per share volume-weighted average price as displayed on Bloomberg page “AA<EQUITY>AQR” (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such Trading Day; or, if such price is not available, “**VWAP**” means the market value per Common Share on such Trading Day as determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

SECTION 3. *Dividends.*

(a) *Rate.* Subject to the rights of holders of any class of capital stock ranking senior to the Mandatory Convertible Preferred Stock with respect to dividends, including the Serial Preferred Stock, Holders shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available therefor, cumulative dividends at the rate per annum of 5.375% on the Liquidation Preference per share of Mandatory Convertible Preferred Stock (the “**Dividend Rate**”) (equivalent to \$26.8750 per annum per share), payable in cash, by delivery of Common Shares or by delivery of any combination of cash and Common Shares, as determined by the Corporation in its sole discretion, in accordance with the provisions set forth in Section 3(c)(i) (subject to the limitations described herein). Declared dividends on the Mandatory Convertible Preferred Stock shall be payable quarterly on each Dividend Payment Date at such annual rate, and dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Initial Issue Date, whether or not in any Dividend Period or Dividend Periods there have been funds legally available for the payment of such dividends. Declared dividends shall be payable on the relevant Dividend Payment Date to Record Holders on the immediately preceding Record Date, whether or not the shares of Mandatory Convertible Preferred Stock held by such Record Holders on such Record Date are converted after such Record Date and on or prior to the immediately succeeding Dividend Payment Date. If a Dividend Payment Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The amount of dividends payable on each share of Mandatory Convertible Preferred Stock for each full Dividend Period (after the initial Dividend Period) shall be computed by dividing the Dividend Rate by four. Dividends payable on the Mandatory Convertible Preferred Stock for the initial Dividend Period and any partial Dividend Period shall be computed based upon the actual number of days elapsed during such period over a 360-day year (consisting of twelve 30-day months). Accumulated dividends shall not bear interest.

No dividend shall be declared or paid upon, or any sum or number of Common Shares set apart for the payment of dividends upon, any outstanding shares of Mandatory Convertible Preferred Stock with respect to any Dividend Period unless all dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of Common Shares have been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock.

Holders shall not be entitled to any dividends on the Mandatory Convertible Preferred Stock, whether payable in cash, property or Common Shares, in excess of full cumulative dividends.

Except as described in this Section 3(a), dividends on any shares of Mandatory Convertible Preferred Stock converted to Common Shares shall cease to accumulate on the Mandatory Conversion Date, the Fundamental Change Conversion Date or the Early Conversion Date (each, a “**Conversion Date**”), as applicable.

(b) *Priority of Dividends.* So long as any share of Mandatory Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on Common Shares or any other shares of Junior Stock, and no Common Shares or shares of Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless all accumulated and unpaid dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of Common Shares have been set apart for the payment of such dividends upon, all outstanding Mandatory Convertible Preferred Stock. The foregoing limitation shall not apply to (i) any dividend or distribution payable in Common Shares or other Junior Stock; (ii) redemptions, purchases or other acquisitions of Common Shares or shares of Junior Stock in connection with the

administration of any benefit or other incentive plan, including any employment contract, in the ordinary course of business (including purchases to offset the Share Dilution Amount pursuant to a publicly announced repurchase plan or acquisitions of shares of Common Stock deemed surrendered in connection with the exercise of stock options); provided that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (iii) any dividends or distributions of rights in connection with a shareholders' rights plan or any redemption or repurchase of rights pursuant to any shareholders' rights plan; (iv) purchases of Common Shares or shares of Junior Stock pursuant to a contractually binding requirement to buy Common Shares or shares of Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan; or (v) the deemed purchase or acquisition of fractional interests in Common Shares or shares of Junior Stock pursuant to the conversion or exchange provisions of such shares or the security being converted or exchanged. The phrase "Share Dilution Amount" means the increase in the number of diluted shares of Common Stock outstanding (determined in accordance with U.S. GAAP, and as measured from the Initial Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to directors, employees and agents and equitably adjusted for any share split, share dividend, reverse share split, reclassification or similar transaction.

When dividends on shares of Mandatory Convertible Preferred Stock (i) have not been declared and paid in full on any Dividend Payment Date or (ii) have been declared but a sum of cash or number of Common Shares sufficient for payment thereof has not been set aside for the benefit of the Record Holders thereof on the applicable Record Date, no dividends may be declared or paid on any shares of Parity Stock unless dividends are declared on the shares of Mandatory Convertible Preferred Stock such that the respective amounts of such dividends declared on the shares of Mandatory Convertible Preferred Stock and such shares of Parity Stock shall be allocated pro rata among the Holders of the shares of Mandatory Convertible Preferred Stock and the holders of any such shares of Parity Stock then outstanding. For purposes of calculating the pro rata allocation of partial dividend payments, the Corporation shall allocate those payments so that the respective amounts of those payments for the declared dividend bear the same ratio to each other as all accumulated dividends and declared and unpaid dividends per share on the shares of Mandatory Convertible Preferred Stock and the shares of such Parity Stock; *provided* that any unpaid dividends on the Mandatory Convertible Preferred Stock will continue to accumulate.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors may be declared and paid on any securities, including Common Shares, from time to time out of any funds legally available for such payment, and Holders shall not be entitled to participate in any such dividends.

(c) Method of Payment of Dividends.

(i) Subject to the limitations described below, any declared dividend (or any portion of any declared dividend) on the Mandatory Convertible Preferred Stock, whether or not for a current Dividend Period or any prior Dividend Period, may be paid by the Corporation, as determined in the Corporation's sole discretion:

(A) in cash;

(B) by delivery of Common Shares; or

(C) by delivery of any combination of cash and Common Shares.

(ii) Each payment of a declared dividend on the Mandatory Convertible Preferred Stock shall be made in cash, except to the extent the Corporation timely elects to make all or any portion of such payment in Common Shares. The Corporation shall give notice to Holders of any such election and the portions of such payment that will be made in cash and in Common Shares no later than 10 Scheduled Trading Days prior to the Dividend Payment Date for such dividend; *provided* that if the Corporation does not provide timely notice of this election, the Corporation will be deemed to have elected to pay the relevant dividend in cash.

(iii) All cash payments to which a Holder is entitled in connection with a declared dividend on the shares of Mandatory Convertible Preferred Stock will be rounded to the nearest cent. Any Common Shares issued in payment or partial payment of a declared dividend on the Mandatory Convertible Preferred Stock shall be valued for such purpose at 97% of the Average VWAP per Common Share over the five consecutive Trading Day period beginning on and including the seventh Scheduled Trading Day prior to the applicable Dividend Payment Date (the "**Average Price**").

(d) No fractional shares of Common Stock shall be delivered by the Corporation to Holders in payment or partial payment of a dividend. The Corporation shall instead pay a cash adjustment (computed to the nearest cent) to each Holder that would otherwise be entitled to receive a fraction of a share of Common Stock based on the Average Price with respect to such dividend.

(e) Notwithstanding the foregoing, in no event shall the number of Common Shares to be delivered in connection with any declared dividend on the Mandatory Convertible Preferred Stock, including any declared dividend payable in connection with a conversion, exceed a number equal to the total dividend payment divided by \$5.66, subject to adjustment in a manner inversely

proportional to any anti-dilution adjustment to each Fixed Conversion Rate as set forth in Section 13 (such dollar amount, as adjusted from time to time, the “**Floor Price**”). To the extent that the amount of any declared dividend exceeds the product of (x) the number of Common Shares delivered in connection with such declared dividend and (y) 97% of the Average Price, the Corporation shall, if it is legally able to do so, notwithstanding any notice by the Corporation to the contrary, pay such excess amount in cash (computed to the nearest cent).

(f) To the extent that the Corporation, in its reasonable judgment, determines that a Shelf Registration Statement is required in connection with the issuance of, or for resales of, Common Shares issued as payment of a dividend on the Mandatory Convertible Preferred Stock, including dividends paid in connection with a conversion, the Corporation shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its commercially reasonable efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all such Common Shares have been resold thereunder and such time as all such shares would be freely tradable without registration by holders thereof that are not “affiliates” of the Corporation for purposes of the Securities Act of 1933, as amended. To the extent applicable, the Corporation shall also use its commercially reasonable efforts to have such Common Shares approved for listing on the New York Stock Exchange (or if the Common Shares are not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Shares are then listed), and qualified or registered under applicable state securities laws, if required, provided that the Corporation will not be required to qualify as a foreign corporation or to take any action that would subject the Corporation to general service of process in any such jurisdiction where the Corporation is not presently qualified or subject to taxation as a foreign corporation and such qualification or action would subject the Corporation to such taxation.

SECTION 4. *Liquidation, Dissolution or Winding Up.*

(a) In the event of any voluntary or involuntary liquidation, winding up or dissolution of the Corporation, each Holder shall be entitled to receive:

(i) the Liquidation Preference per share of Mandatory Convertible Preferred Stock, plus

(ii) an amount (the “**Liquidation Dividend Amount**”) equal to all dividends that have accrued on such Holder’s shares to (but excluding) the date fixed for liquidation, winding up or dissolution but have not been paid or declared and a sum sufficient for the payment thereof been set apart,

to be paid out of the assets of the Corporation legally available for distribution to its shareholders, after satisfaction of liabilities owed to the Corporation’s creditors and payment of any liquidation preference of holders of shares of each class or series of Senior Stock, and before any payment or distribution is made to holders of Junior Stock, including Common Stock.

(b) Neither the merger or consolidation of the Corporation into or with any other corporation or corporations, any share exchange or division involving the Corporation in pursuance of applicable statutes providing for the consolidation, merger, share exchange or division shall be deemed to be a voluntary or involuntary liquidation, winding-up or dissolution of the Corporation for the purposes of this Section 4.

(c) If, upon the voluntary or involuntary liquidation, winding up or dissolution of the Corporation, the amounts payable with respect to (1) the Liquidation Preference plus the Liquidation Dividend Amount of the Mandatory Convertible Preferred Stock and (2) the liquidation preference of, and the amount of accumulated and unpaid dividends to, but excluding, the date fixed for liquidation, dissolution or winding up, on, any Parity Stock are not paid in full, the Holders and all holders of any classes or series of Parity Stock shall share equally and ratably in any distribution of the Corporation’s assets in proportion to the respective liquidation preferences and amounts equal to the accumulated and unpaid dividends to which they are entitled.

(d) After the payment to any Holder of the full amount of the Liquidation Preference and the Liquidation Dividend Amount for each of such Holder’s shares of Mandatory Convertible Preferred Stock, such Holder as such shall have no right or claim to any of the remaining assets of the Corporation.

SECTION 5. *Acquisition Termination Redemption; No Sinking Fund.*

(a) Within ten Business Days following the earlier of (a) the date on which an Acquisition Termination Event occurs and (b) 5:00 p.m. (New York City time) on April 1, 2015, if the Acquisition has not closed on or prior to such time on such date, the Corporation shall be entitled, but not required, to mail a notice of Acquisition Termination Redemption to the Holders (provided that, if depositary shares representing shares of Mandatory Convertible Preferred Stock are held in book-entry form through DTC, the Corporation may give such notice in respect of such shares in any matter permitted by DTC). If the Corporation shall mail such notice of Acquisition Termination Redemption to Holders, on the Acquisition Termination Redemption Date, the Corporation shall be required to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at a redemption amount per share of Mandatory Convertible Preferred Stock equal to the Acquisition Termination Make-whole Amount.

“**Acquisition Termination Event**” means either (1) the Purchase Agreement is terminated or (2) the Corporation shall determine in its reasonable judgment that the Acquisition will not occur.

“**Acquisition Termination Make-whole Amount**” means, for each share of Mandatory Convertible Preferred Stock, an amount in cash equal to \$505 plus accumulated and unpaid dividends to the Acquisition Termination Redemption Date (whether or not declared); provided, however, that if the Acquisition Termination Share Price exceeds the Initial Price, the Acquisition Termination Make-whole Amount will equal the Reference Amount.

“**Acquisition Termination Share Price**” means the average VWAP per Common Share over the 10 consecutive Trading Day period ending on the Trading Day preceding the date on which the Corporation shall provide notice of Acquisition Termination Redemption to Holders.

The “**Reference Amount**” shall equal the sum of the following amounts:

- (i) a number of Common Shares equal to the Acquisition Termination Conversion Rate; plus
- (ii) cash in an amount equal to the Acquisition Termination Dividend Amount;

provided that the Corporation may deliver cash in lieu of all or any portion of the Common Shares set forth in clause (i) above, and the Corporation may deliver Common Shares in lieu of all or any portion of the cash amount set forth in clause (ii) above, in each case, as set forth in this Section 5.

“**Acquisition Termination Conversion Rate**” means a rate equal to the Fundamental Change Conversion Rate, assuming for such purpose that the date on which the Corporation shall provide notice of Acquisition Termination Redemption is the Fundamental Change Effective Date and that the Fundamental Change Share Price is the Acquisition Termination Share Price.

“**Acquisition Termination Dividend Amount**” means an amount of cash equal to the sum of (x) the Fundamental Change Dividend Make-whole Amount and (y) the Accumulated Dividend Amount, assuming in each case, for such purpose that the date on which the Corporation shall provide notice of Acquisition Termination Redemption is the Fundamental Change Effective Date.

(b) If the Acquisition Termination Share Price shall exceed the Initial Price, the Corporation may pay cash (computed to the nearest cent) in lieu of delivering all or any portion of the number of Common Shares equal to the Acquisition Termination Conversion Rate. If the Corporation shall make such an election, it shall deliver cash in an amount equal to such number of Common Shares in respect of which it shall have made such election multiplied by the Acquisition Termination Market Value.

(c) In addition, if the Acquisition Termination Share Price shall exceed the Initial Price, the Corporation may elect to deliver Common Shares in lieu of some or all of the Acquisition Termination Dividend Amount. If the Corporation shall make such an election, it shall deliver a number of Common Shares equal to such portion of the Acquisition Termination Dividend Amount to be paid in Common Shares divided by the greater of the Floor Price and 97% of the Acquisition Termination Market Value; provided that, if the Acquisition Termination Dividend Amount or portion thereof in respect of which Common Shares are delivered exceeds the product of such number of Common Shares multiplied by 97% of the Acquisition Termination Market Value, the Corporation shall, if it is legally able to do so, declare and pay such excess amount in cash (computed to the nearest cent).

“**Acquisition Termination Market Value**” means the average VWAP per Common Share over the twenty consecutive Trading Day period commencing on and including the third Trading Day following the date on which the Corporation provides notice of Acquisition Termination Redemption.

“**Acquisition Termination Redemption Date**” means the date specified by the Corporation in its notice of Acquisition Termination Redemption that is not less than 30 nor more than 60 days following the date on which the Corporation shall provide notice of such Acquisition Termination Redemption; provided, that, if the Acquisition Termination Share Price is greater than the Initial Price and the Corporation shall elect to pay cash in lieu of delivering all or any portion of the Common Shares equal to the Acquisition Termination Conversion Rate, or, if the Corporation shall elect to deliver Common Shares in lieu of all or any portion of the Acquisition Termination Dividend Amount, the Acquisition Termination Redemption Date shall be the third Business Day following the last Trading Day of the 20 consecutive Trading Day period used to determine the Acquisition Termination Market Value.

(d) The notice of Acquisition Termination Redemption shall specify, among other things:

- (i) the Acquisition Termination Make-whole Amount;
- (ii) if the Acquisition Termination Share Price exceeds the Initial Price, the number of Common Shares and the amount of cash comprising the Reference Amount per share of Mandatory Convertible Preferred Stock (before giving effect to any election to pay or deliver, with respect to each share of Mandatory Convertible Preferred Stock, cash in lieu of a number of Common Shares equal to the Acquisition Termination Conversion Rate or Common Shares in lieu of cash in respect of the Acquisition Termination Dividend Amount);
- (iii) if applicable, whether the Corporation will deliver cash in lieu of all or any portion of the number of Common Shares equal to the Acquisition Termination Conversion Rate included as a portion of the Reference Amount (specifying, if applicable, the number of such Common Shares in respect of which cash will be delivered);
- (iv) if applicable, whether the Corporation will deliver Common Shares in lieu of all or any portion of the Acquisition Termination Dividend Amount included as a portion of the Reference Amount (specifying, if applicable, the percentage of the Acquisition Termination Dividend Amount in respect of which Common Shares will be delivered in lieu of cash); and
- (v) the Acquisition Termination Redemption Date.

(e) If any portion of the Acquisition Termination Make-whole Amount is to be paid in Common Shares, no fractional Common Shares will be delivered to the Holders. The Corporation shall instead pay a cash adjustment (rounded to the nearest cent) to each Holder that would otherwise be entitled to a fraction of a Common Share based on the average VWAP per Common Share over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the Acquisition Termination Redemption Date. If more than one share of Mandatory Convertible Preferred Stock is to be redeemed from a Holder, the number of Common Shares issuable in connection with the payment of the Reference Amount shall be computed on the basis of the aggregate number of shares of Mandatory Convertible Preferred Stock so redeemed.

(f) All cash payments to which a Holder is entitled in connection with an Acquisition Termination Redemption will be rounded to the nearest cent.

(g) To the extent that the Corporation, in its reasonable judgment, determines that a Shelf Registration Statement is required in connection with the issuance of, or for resales of, Common Shares issued as any portion of the payment of the Acquisition Termination Make-whole Amount, the Corporation shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its commercially reasonable efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all such Common Shares have been resold thereunder and such time as all such shares would be freely tradable without registration by holders thereof that are not “affiliates” of the Corporation for purposes of the Securities Act of 1933, as amended. To the extent applicable, the Corporation shall also use its commercially reasonable efforts to have such Common Shares qualified or registered under applicable state securities laws, if required, and approved for listing on the New York Stock Exchange (or if the Common Shares are not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Shares are then listed), provided that the Corporation will not be required to qualify as a foreign corporation or to take any action that would subject the Corporation to general service of process in any such jurisdiction where the Corporation is not presently qualified or subject to taxation as a foreign corporation and such qualification or action would subject the Corporation to such taxation.

(h) Other than pursuant to the Acquisition Termination Redemption provisions described above, shares of Mandatory Convertible Preferred Stock shall not be subject to any redemption, sinking fund or other similar provisions.

SECTION 6. *Voting Rights.*

(a) *General.* Holders shall not have any voting rights except as set forth in Section 4 of Article FIFTH of the Articles of Incorporation (as further limited by subsection (b) of this Section 6) or as otherwise from time to time required by Pennsylvania law.

(b) *Change for Clarification.* Without the consent of the Holders, so long as such action does not adversely affect the special rights, preferences, privileges or voting powers, and limitations and restrictions thereof, of the shares of Mandatory Convertible Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Mandatory Convertible Preferred Stock:

(i) to cure any ambiguity or mistake, or to correct or supplement any provision contained in the Statement with Respect to Shares that may be defective or inconsistent with any other provision contained in the Statement with Respect to Shares;

(ii) to make any provision with respect to matters or questions relating to the Mandatory Convertible Preferred Stock that is not inconsistent with the provisions of the Articles of Incorporation or the Statement with Respect to Shares; or

(iii) to waive the Corporation’s rights with respect thereto;

provided, that any such amendment, alteration, supplement or repeal of any terms of the Mandatory Convertible Preferred Stock effected in order to conform the terms thereof to the description of the terms of the Mandatory Convertible Preferred Stock set forth under “Description of Mandatory Convertible Preferred Stock” in the Prospectus Supplement shall be deemed not to adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Mandatory Convertible Preferred Stock. The full text of the Prospectus Supplement is on file at the principal place of business of the Corporation at 390 Park Avenue, New York, New York 10022.

SECTION 7. *Mandatory Conversion on the Mandatory Conversion Date.*

(a) Each share of Mandatory Convertible Preferred Stock shall automatically convert (unless previously redeemed at the option of the Corporation in accordance with Section 5, converted at the option of the Holder in accordance with Section 8 or pursuant to an exercise of a Fundamental Change Conversion right pursuant to Section 9) on the Mandatory Conversion Date (“**Mandatory Conversion**”), into a number of Common Shares equal to the Mandatory Conversion Rate.

(b) The “**Mandatory Conversion Rate**,” which is the number of Common Shares issuable upon conversion of each share of Mandatory Convertible Preferred Stock on the Mandatory Conversion Date (excluding Common Shares, if any, issued in respect of accrued and unpaid dividends) shall, subject to adjustment in accordance with Section 7(c), be as follows:

(i) if the Applicable Market Value is greater than \$19.39 (the “**Threshold Appreciation Price**”), then the Mandatory Conversion Rate shall be equal to 25.7838 Common Shares per share of Mandatory Convertible Preferred Stock (the “**Minimum Conversion Rate**”);

(ii) if the Applicable Market Value is less than or equal to the Threshold Appreciation Price but equal to or greater than \$16.16 (the “**Initial Price**”), then the Mandatory Conversion Rate per share of Mandatory Convertible Preferred Stock shall be equal to \$500 divided by the Applicable Market Value; or

(iii) if the Applicable Market Value is less than the Initial Price, then the Mandatory Conversion Rate shall be equal to 30.9406 Common Shares per share of Mandatory Convertible Preferred Stock (the “**Maximum Conversion Rate**”);

provided that the Fixed Conversion Rates, the Threshold Appreciation Price, the Initial Price and the Applicable Market Value are each subject to adjustment in accordance with the provisions of Section 13.

(c) If prior to the Mandatory Conversion Date the Corporation has not declared all or any portion of the accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock, the Mandatory Conversion Rate shall be adjusted so that Holders receive an additional number of Common Shares equal to the amount of accumulated and unpaid dividends that have not been declared (“**Mandatory Conversion Additional Conversion Amount**”) divided by the greater of the Floor Price and 97% of the Average Price (calculated as though the Mandatory Conversion Date is the applicable Dividend Payment Date). To the extent that the Mandatory Conversion Additional Conversion Amount exceeds the product of such number of additional shares and 97% of the Average Price, the Corporation shall, if the Corporation is legally able to do so, declare and pay such excess amount in cash (computed to the nearest cent) pro rata to the Holders. No such payment in cash may be made if the payment is not permitted by the Corporation’s then existing debt instruments.

SECTION 8. *Early Conversion at the Option of the Holder.*

(a) Other than during a Fundamental Change Conversion Period, the Holders shall have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock), at any time prior to the Mandatory Conversion Date (“**Early Conversion**”), into Common Shares at the Minimum Conversion Rate, subject to adjustment as described in Section 13 and to satisfaction of the conversion procedures set forth in Section 10.

(b) If as of any Early Conversion Date the Corporation has not declared all or any portion of the accumulated and unpaid dividends for all full Dividend Periods ending on a Dividend Payment Date prior to such Early Conversion Date, the Minimum Conversion Rate shall be adjusted, with respect to the relevant Early Conversion, so that the converting Holder receives an additional number of Common Shares equal to the amount of accumulated and unpaid dividends that have not been declared for such full Dividend Periods (the “**Early Conversion Additional Conversion Amount**”), divided by the greater of the Floor Price and the Average VWAP per Common Share over the 20 consecutive Trading Day period (the “**Early Conversion Settlement Period**”) commencing on, and including, the 22nd Trading Day immediately preceding the Early Conversion Date (such average being referred to as the “**Early Conversion Average Price**”). To the extent that the Early Conversion Additional Conversion Amount exceeds the product of the number of additional shares of Common Stock and the Early Conversion Average Price, the Corporation shall not have any obligation to pay the shortfall in cash. Except as described in the first sentence of this Section 8(b), upon any Early Conversion of

any shares of the Mandatory Convertible Preferred Stock, the Corporation shall make no payment or allowance for undeclared dividends on such shares of the Mandatory Convertible Preferred Stock, unless such Early Conversion occurs after the Record Date for a declared dividend and on or prior to the immediately succeeding Dividend Payment Date, in which case the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holder of the converted shares as of such Record Date, in accordance with Section 3.

SECTION 9. *Fundamental Change Conversion.*

(a) If a Fundamental Change occurs on or prior to the Mandatory Conversion Date, the Holders shall have the right to (i) convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock) (any such conversion pursuant to this Section 9(a) being a “**Fundamental Change Conversion**”) at any time during the period (the “**Fundamental Change Conversion Period**”) that begins on the effective date of such Fundamental Change (the “**Fundamental Change Effective Date**”) and ends at 5:00 p.m., New York City time, on the date that is 20 calendar days after the Fundamental Change Effective Date (or, if earlier, the Mandatory Conversion Date) into a number of Common Shares equal to the Fundamental Change Conversion Rate per share of Mandatory Convertible Preferred Stock, (ii) with respect to such converted shares, receive a Fundamental Change Dividend Make-whole Amount payable in cash or in Common Shares; and (iii) with respect to such converted shares, receive the Accumulated Dividend Amount, in the case of clauses (ii) and (iii), subject to the Corporation’s right to deliver Common Shares in lieu of all or part of such amounts as set forth in clause (d) below; *provided* that if such Fundamental Change Effective Date or the relevant Fundamental Change Conversion Date falls after the Record Date for a declared dividend and prior to the next Dividend Payment Date, the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holders as of such Record Date, in accordance with Section 3, and such dividend shall not be included in the Accumulated Dividend Amount, and the Fundamental Change Dividend Make-whole Amount shall not include the present value of such dividend. With respect to any Fundamental Change, Holders who do not submit shares of Mandatory Convertible Preferred Stock for conversion during the relevant Fundamental Change Conversion Period will not be entitled to convert their non-submitted shares of Mandatory Convertible Preferred Stock at the relevant Fundamental Change Conversion Rate or to receive the relevant Fundamental Change Dividend Make-whole Amount or the relevant Accumulated Dividend Amount.

(b) On or before the twentieth calendar day prior to the anticipated Fundamental Change Effective Date or, if such prior notice is not practicable, no later than the second Business Day immediately following the actual Fundamental Change Effective Date, a written notice (the “**Fundamental Change Notice**”) shall be sent by or on behalf of the Corporation, by first-class mail, postage prepaid, to the Holders. Such notice shall state:

- (i) the event causing the Fundamental Change;
- (ii) the anticipated Fundamental Change Effective Date or actual Fundamental Change Effective Date, as the case may be;
- (iii) that Holders shall have the right to effect a Fundamental Change Conversion in connection with such Fundamental Change during the Fundamental Change Conversion Period;
- (iv) the Fundamental Change Conversion Period; and
- (v) the instructions a Holder must follow to effect a Fundamental Change Conversion in connection with such Fundamental Change.

If the Corporation notifies Holders of a Fundamental Change later than the twentieth calendar day prior to the Fundamental Change Effective Date of such Fundamental Change, the Fundamental Change Conversion Period shall be extended by a number of days equal to the number of days from, and including, the twentieth calendar day prior to such Fundamental Change Effective Date to, but excluding, the date of such notice; *provided* that the Fundamental Change Conversion Period shall not be extended beyond the Mandatory Conversion Date.

(c) Not later than the second Business Day following the Fundamental Change Effective Date of a Fundamental Change, the Corporation shall notify Holders of:

- (i) the Fundamental Change Conversion Rate;
- (ii) the Fundamental Change Dividend Make-whole Amount and whether the Corporation will pay such amount in cash, Common Shares or a combination thereof, specifying the combination, if applicable; and
- (iii) the Accumulated Dividend Amount as of the Fundamental Change Effective Date and whether the Corporation will pay such amount in cash, Common Shares or a combination thereof, specifying the combination, if applicable.

(d)(i) For any shares of Mandatory Convertible Preferred Stock that are converted during the Fundamental Change Conversion Period, in addition to the Common Shares issued upon conversion at the Fundamental Change Conversion Rate, the Corporation shall at its option:

(A) pay the Holder in cash (computed to the nearest cent), to the extent the Corporation is legally permitted to do so, the present value, computed using a discount rate of 5.375% per annum, of all dividend payments on the Holder's shares of Mandatory Convertible Preferred Stock for all the remaining Dividend Periods (excluding any Accumulated Dividend Amount) from and including such Fundamental Change Effective Date to but excluding the Mandatory Conversion Date (the "**Fundamental Change Dividend Make-whole Amount**");

(B) increase the number of Common Shares to be issued on conversion by a number equal to (x) the Fundamental Change Dividend Make-whole Amount divided by (y) the greater of the Floor Price and 97% of the Fundamental Change Share Price, or

(C) pay the Fundamental Change Dividend Make-whole Amount in a combination of cash and Common Shares in accordance with the provisions of clauses (A) and (B) immediately above.

(ii) In addition, to the extent that the Accumulated Dividend Amount exists as of the Fundamental Change Effective Date, Holders who convert shares of Mandatory Convertible Preferred Stock within the Fundamental Change Conversion Period will be entitled to receive such Accumulated Dividend Amount upon conversion. The Accumulated Dividend Amount will be payable, at the Corporation's election, in:

(A) cash (computed to the nearest cent), to the extent the Corporation is legally permitted to do so,

(B) an additional number of Common Shares equal to (x) the Accumulated Dividend Amount divided by (y) the greater of the Floor Price and 97% of the Fundamental Change Share Price, or

(C) a combination of cash and Common Shares in accordance with the provisions of clauses (A) and (B) immediately above.

(iii) The Corporation shall pay the Fundamental Change Dividend Make-whole Amount and the Accumulated Dividend Amount in cash (computed to the nearest cent), except to the extent the Corporation elects on or prior to the second Business Day following the Fundamental Change Effective Date of a Fundamental Change to make all or any portion of such payments in Common Shares. If the Corporation elects to deliver Common Shares in respect of all or any portion of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount, to the extent that the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount or any portion thereof paid in Common Shares exceeds the product of the number of additional shares of Common Stock the Corporation delivers in respect thereof and 97% of the Fundamental Change Share Price, the Corporation shall, if it is legally able to do so, pay such excess amount in cash (computed to the nearest cent). No such payment in cash may be made if the payment is not permitted by the Corporation's then existing debt instruments.

(iv) No fractional Common Shares shall be delivered by the Corporation to converting Holders in respect of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount. A cash adjustment (computed to the nearest cent) shall be paid by the Corporation to each Holder that would otherwise be entitled to receive a fraction of a Common Share based on the Average VWAP per Common Share over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the relevant Conversion Date.

SECTION 10. *Conversion Procedures.*

(a) Pursuant to Section 7, on the Mandatory Conversion Date, any outstanding shares of Mandatory Convertible Preferred Stock shall automatically convert into Common Shares. The person or persons entitled to receive the Common Shares issuable upon Mandatory Conversion of the Mandatory Convertible Preferred Stock shall be treated as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the Mandatory Conversion Date. Except as provided under Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time, on the Mandatory Conversion Date, the Common Shares issuable upon conversion of the Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose and Holders shall have no rights with respect to such Common Shares, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the Common Shares, by virtue of holding the Mandatory Convertible Preferred Stock.

(b) To effect an Early Conversion pursuant to Section 8, a Holder who

(i) holds a beneficial interest in a Global Preferred Share must deliver to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program and, if required, pay all transfer or similar taxes or duties, if any; or

(ii) holds shares of Mandatory Convertible Preferred Stock in definitive, certificated form must:

(A) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(B) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(C) if required, furnish appropriate endorsements and transfer documents; and

(D) if required, pay all transfer or similar taxes or duties, if any.

The Early Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (“**Early Conversion Date**”). A Holder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Holder. A certificate representing the Common Shares issuable upon conversion shall be issued and delivered to the converting Holder or, if the shares of Mandatory Convertible Preferred Stock being converted are in book-entry form, the Common Shares issuable upon conversion shall be delivered to the converting Holder through book-entry transfer through the facilities of the Depository, in each case together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, on the latest of (i) the third Business Day immediately succeeding the Early Conversion Date, (ii) the third Business Day immediately succeeding the last day of the Early Conversion Settlement Period and (iii) the Business Day after the Holder has paid in full all applicable taxes and duties, if any.

The person or persons entitled to receive the Common Shares issuable upon Early Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Early Conversion Date. Except as set forth in Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time on such applicable Early Conversion Date, the Common Shares issuable upon conversion of any Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to such Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares) by virtue of holding Mandatory Convertible Preferred Stock.

In the event that an Early Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock constituting fewer than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Early Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Early Conversion was not effected, or, if the shares of Mandatory Convertible Preferred Stock are held in book-entry form, the Corporation shall cause the Transfer Agent and Registrar to reduce the number of shares of Mandatory Convertible Preferred Stock represented by the global certificate by making a notation on Schedule I attached to the global certificate or otherwise notate such reduction in the register maintained by such Transfer Agent and Registrar.

(c) To effect a Fundamental Change Conversion pursuant to Section 9, a Holder who

(i) holds a beneficial interest in a Global Preferred Share must deliver to DTC the appropriate instruction form for conversion pursuant to DTC’s conversion program and, if required, pay all transfer or similar taxes or duties, if any; or

(ii) holds shares of Mandatory Convertible Preferred Stock in definitive, certificated form must:

(A) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(B) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(C) if required, furnish appropriate endorsements and transfer documents; and

(D) if required, pay all transfer or similar taxes or duties, if any.

The Fundamental Change Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (the “**Fundamental Change Conversion Date**”). A Holder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Holder. A certificate representing the Common Shares issuable upon conversion shall be issued and delivered to the converting Holder or, if the shares of Mandatory Convertible Preferred Stock

being converted are in book-entry form, the Common Shares issuable upon conversion shall be delivered to the converting Holder through book-entry transfer through the facilities of the Depository, in each case together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, on the later of the third Business Day immediately succeeding the Fundamental Change Conversion Date and the Business Day after the Holder has paid in full all applicable taxes and duties, if any.

The person or persons entitled to receive the Common Shares issuable upon such Fundamental Change Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Fundamental Change Conversion Date. Except as set forth in Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time on such applicable Fundamental Change Conversion Date, the Common Shares issuable upon conversion of any shares of Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to the Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares) by virtue of holding Mandatory Convertible Preferred Stock.

In the event that a Fundamental Change Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock constituting fewer than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Fundamental Change Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Fundamental Change Conversion was not effected, or, if the shares of Mandatory Convertible Preferred Stock are held in book-entry form, the Corporation shall cause the Transfer Agent and Registrar to reduce the number of shares of Mandatory Convertible Preferred Stock represented by the global certificate by making a notation on Schedule I attached to the global certificate or otherwise notate such reduction in the register maintained by such Transfer Agent and Registrar.

(d) In the event that a Holder shall not by written notice designate the name in which Common Shares to be issued upon conversion of shares of Mandatory Convertible Preferred Stock should be registered or, if applicable, the address to which the certificate or certificates representing such Common Shares should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the Holder as shown on the records of the Corporation and, if applicable, to send the certificate or certificates representing such Common Shares to the address of such Holder shown on the records of the Corporation.

(e) Converted shares of Mandatory Convertible Preferred Stock shall cease to be outstanding on the applicable Conversion Date, subject to the right of Holders of such shares to receive Common Shares issuable upon conversion of such shares of Mandatory Convertible Preferred Stock and other amounts and Common Shares, if any, to which they are entitled pursuant to Sections 7, 8 or 9, as applicable and, if the applicable Conversion Date occurs after the Record Date for a declared dividend and prior to the immediately succeeding Dividend Payment Date, subject to the right of the Record Holders of such shares on such Record Date to receive payment of such declared dividend on such Dividend Payment Date pursuant to Section 3.

SECTION 11. *Reservation of Common Shares.*

(a) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Shares, solely for issuance upon the conversion of Mandatory Convertible Preferred Stock as herein provided, free from any preemptive or other similar rights, a number of Common Shares equal to the product of the Maximum Conversion Rate then in effect and the number of shares of Mandatory Convertible Preferred Stock then outstanding. For purposes of this Section 11(a), the number of Common Shares that shall be deliverable upon the conversion of all outstanding shares of Mandatory Convertible Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(b) All Common Shares delivered upon conversion of shares of Mandatory Convertible Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(c) Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of shares of Mandatory Convertible Preferred Stock, the Corporation shall use reasonable best efforts to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(d) The Corporation hereby covenants and agrees that, if at any time the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Corporation shall, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Shares issuable upon conversion of, or issuable in respect of the payment of dividends, the Acquisition Termination Make-whole Amount, the Accumulated Dividend Amount or the Fundamental Change Dividend Make-whole Amount on, the Mandatory Convertible Preferred Stock.

SECTION 12. *Fractional Shares.*

(a) No fractional Common Shares shall be issued as a result of any conversion of Mandatory Convertible Preferred Stock.

(b) In lieu of any fractional Common Share otherwise issuable in respect of any mandatory conversion pursuant to Section 7 or a conversion at the option of the Holder pursuant to Section 8 or Section 9, the Corporation shall pay an amount in cash (computed to the nearest cent) equal to the product of (i) that same fraction and (ii) the Average VWAP of the Common Shares over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the Mandatory Conversion Date, Fundamental Change Conversion Date or Early Conversion Date, as applicable.

(c) If more than one share of Mandatory Convertible Preferred Stock is surrendered for conversion at one time by or for the same Holder, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Mandatory Convertible Preferred Stock so surrendered.

SECTION 13. *Anti-Dilution Adjustments to the Fixed Conversion Rates.*

(a) Each Fixed Conversion Rate shall be subject to the following adjustments:

(i) *Stock Dividends and Distributions.* If the Corporation issues Common Shares to all holders of Common Shares as a dividend or other distribution, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such dividend or other distribution shall be divided by a fraction:

- (A) the numerator of which is the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination, and
- (B) the denominator of which is the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the total number of Common Shares constituting such dividend or other distribution.

Subject to the provisions of Section 13(a)(iv)(E), any adjustment made pursuant to this clause (i) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. If any dividend or distribution described in this clause (i) is declared but not so paid or made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to make such dividend or distribution, to such Fixed Conversion Rate that would be in effect if such dividend or distribution had not been declared. For the purposes of this clause (i), the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination shall not include any Direct Treasury Shares but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not pay any dividend or make any other distribution on Common Shares that are Direct Treasury Shares.

(ii) *Issuance of Stock Purchase Rights.* If the Corporation issues to all holders of Common Shares rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans), entitling such holders, for a period of up to 45 calendar days from the date of issuance of such rights or warrants, to subscribe for or purchase Common Shares at a price per share less than the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such rights or warrants shall be increased by multiplying such Fixed Conversion Rate by a fraction:

- (A) the numerator of which is the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares issuable pursuant to such rights or warrants, and
- (B) the denominator of which shall be the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares equal to the the aggregate offering price payable to exercise such rights or warrants divided by the Current Market Price.

Subject to the provisions of Section 13(a)(iv)(E), any adjustment made pursuant to this clause (ii) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. In the event that such rights or warrants described in this clause (ii) are not so issued, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to issue such rights or warrants, to such Fixed Conversion Rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or Common Shares are otherwise not

delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, each Fixed Conversion Rate shall be readjusted to such Fixed Conversion Rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of Common Shares actually delivered. In determining whether any rights or warrants entitle the holders thereof to subscribe for or purchase Common Shares at less than the Current Market Price, and in determining the aggregate offering price payable to exercise such rights or warrants, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined in good faith by the Board of Directors, which determination shall be final). For the purposes of this clause (ii), the number of Common Shares at the time outstanding shall not include any Direct Treasury Shares but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not issue any such rights or warrants in respect of Common Shares that are Direct Treasury Shares.

(iii) *Subdivisions and Combinations of the Common Shares.* If outstanding Common Shares shall be subdivided into a greater number of Common Shares or combined into a lesser number of Common Shares, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the effective date of such subdivision or combination shall be multiplied by a fraction:

- (A) the numerator of which is the number of Common Shares that would be outstanding immediately after, and solely as a result of, such subdivision or combination, and
- (B) the denominator of which is the number of Common Shares outstanding immediately prior to such subdivision or combination.

Any adjustment made pursuant to this clause (iii) shall become effective immediately after 5:00 p.m., New York City time, on the effective date of such subdivision or combination.

(iv) *Debt or Asset Distribution.*

(A) If the Corporation distributes to all holders of Common Shares evidences of its indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets (excluding (1) any dividend or distribution covered by Section 13(a)(i), (2) any rights or warrants covered by Section 13(a)(ii), (3) any dividend or distribution covered by Section 13(a)(v) and (4) any Spin-Off to which the provisions set forth in Section 13(a)(iv)(B) apply), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

- (1) the numerator of which is the Current Market Price, and
- (2) the denominator of which is the Current Market Price minus the Fair Market Value, on such date fixed for determination, of the portion of the evidences of indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets so distributed applicable to one Common Share.

(B) In the case of a Spin-Off, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

- (1) the numerator of which is the sum of (x) the Current Market Price of the Common Shares and (y) the Fair Market Value of the portion of those shares of capital stock or similar equity interests so distributed that is applicable to one Common Share as of the 15th Trading Day after the effective date for such distribution (or, if such shares of capital stock or equity interests are listed on a national or regional securities exchange, the Current Market Price of such securities), and
- (2) the denominator of which is the Current Market Price of the Common Shares.

(C) Any adjustment made pursuant to this clause (iv) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such distribution. In the event that such distribution described in this clause (iv) is not so made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to make such distribution, to such Fixed Conversion Rate that would then be in effect if such

distribution had not been declared. If an adjustment to each Fixed Conversion Rate is required under this clause (iv) during any settlement period or Early Conversion Settlement Period in respect of shares of Mandatory Convertible Preferred Stock that have been tendered for conversion, delivery of the Common Shares issuable upon conversion shall be delayed to the extent necessary in order to complete the calculations provided for in this clause (iv).

- (D) For purposes of this clause (iv) (and subject in all respects to clause (ii)), rights, options or warrants distributed by the Corporation to all holders of its Common Shares entitling them to subscribe for or purchase shares of the Corporation's capital stock, including, but not limited to, Common Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Common Shares, shall be deemed not to have been distributed for purposes of this clause (iv) (and no adjustment to the Conversion Rate under this clause (iv) shall be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Fixed Conversion Rates shall be made under this clause (iv).

If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the Initial Issue Date, is subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and the date fixed for the determination of the holders of Common Shares entitled to receive such distribution with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Fixed Conversion Rates under this clause (iv) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Fixed Conversion Rates shall be readjusted as if such rights, options or warrants had not been issued and (y) the Fixed Conversion Rates shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder or holders of Common Shares with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Fixed Conversion Rates shall be readjusted as if such rights, options and warrants had not been issued. For purposes of clause (1) of the immediately preceding sentence, any rights that have become void by reason of the actions or status of the holder(s) thereof shall not be included in determining whether all rights have been redeemed or purchased.

- (E) For purposes of clause (i), clause (ii) and this clause (iv), if any dividend or distribution to which this clause (iv) is applicable includes one or both of:

(A) a dividend or distribution of Common Shares to which clause (i) is applicable (the "**Clause I Distribution**"); or

(B) an issuance of rights or warrants to which clause (ii) is applicable (the "**Clause II Distribution**"),

then (1) such dividend or distribution, other than the Clause I Distribution, if any, and the Clause II Distribution, if any, shall be deemed to be a dividend or distribution to which this clause (iv) is applicable (the "**Clause IV Distribution**") and any Fixed Conversion Rate adjustment required by this clause (iv) with respect to such Clause IV Distribution shall then be made, and (2) the Clause I Distribution, if any, and Clause II Distribution, if any, shall be deemed to immediately follow the Clause IV Distribution and any Fixed Conversion Rate adjustment required by clause (i) and clause (ii) with respect thereto shall then be made, except that, if determined by the Corporation (I) the date fixed for determination of the holders of Common Shares entitled to receive any Clause I Distribution or Clause II Distribution shall be deemed to be the date fixed for the determination of holders of Common Shares entitled to receive the Clause IV Distribution and (II) any Common Shares included in any Clause I Distribution or Clause II Distribution shall be deemed not to be "outstanding at 5:00 p.m., New York City time, on the date fixed for such determination" within the meaning of clauses (i) and (ii).

(v) *Cash Distributions.* If the Corporation distributes an amount consisting exclusively of cash to all holders of Common Shares other than a regular, quarterly cash dividend that does not exceed \$0.03 per Common Share (the “**Initial Dividend Threshold**”) (excluding (1) any cash that is distributed in a Reorganization Event to which Section 13(e) applies, (2) any dividend or other distribution in connection with the voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (3) any consideration payable as part of a tender or exchange offer by the Corporation or any subsidiary of the Corporation covered by Section 13(a)(vi)), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such dividend or other distribution shall be multiplied by a fraction:

- (1) the numerator of which is the Current Market Price minus the Initial Dividend Threshold (provided that if the distribution is not a regular quarterly cash dividend, the Initial Dividend Threshold will be deemed to be zero), and
- (2) the denominator of which is the Current Market Price minus the amount per Common Share of such dividend or other distribution.

The Initial Dividend Threshold is subject to adjustment in a manner inversely proportional to adjustments to the Fixed Conversion Rates; provided that no adjustment will be made to the Initial Dividend Threshold for any adjustment to the Fixed Conversion Rates pursuant to this clause (v).

Any adjustment made pursuant to this clause (v) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such dividend or other distribution. In the event that any distribution described in this clause (v) is not so paid or made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or make such distribution, to such Fixed Conversion Rate which would then be in effect if such distribution had not been declared.

(vi) *Self Tender Offers and Exchange Offers.* If the Corporation or any subsidiary of the Corporation successfully completes a tender or exchange offer pursuant to a Schedule TO or registration statement on Form S-4 for Common Shares (excluding any securities convertible or exchangeable for Common Shares), where the cash and the value of any other consideration included in the payment per Common Share exceeds the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date of expiration of the tender or exchange offer (the “**Expiration Date**”) shall be multiplied by a fraction:

- (A) the numerator of which shall be equal to the sum of:
 - (1) the aggregate cash and Fair Market Value on the Expiration Date of any other consideration paid or payable for Common Shares purchased in such tender or exchange offer; and
 - (2) the product of (I) the Current Market Price and (II) (A) the number of Common Shares outstanding at the time such tender or exchange offer expires less (B) any purchased Common Shares; and
- (B) the denominator of which shall be equal to the product of (I) the Current Market Price and (II) the number of Common Shares outstanding at the time such tender or exchange offer expires, including any purchased Common Shares.

Any adjustment made pursuant to this clause (vi) shall become effective immediately after 5:00 p.m., New York City time, on the 10th Trading Day immediately following the Expiration Date but will be given effect as of 9:00 a.m., New York City time, on the Expiration Date. In the event that the Corporation or one of its subsidiaries is obligated to purchase Common Shares pursuant to any such tender offer or exchange offer, but the Corporation or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then each Fixed Conversion Rate shall be readjusted to be such Fixed Conversion Rate that would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this clause (vi) to any tender offer or exchange offer would result in a decrease in each Fixed Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this clause (vi). If an adjustment to each Fixed Conversion Rate is required pursuant to this clause (vi) during any settlement period or Early Conversion Settlement Period in respect of shares of Mandatory Convertible Preferred Stock that have been tendered for conversion, delivery of the related conversion consideration shall be delayed to the extent necessary in order to complete the calculations provided for in this clause (vi).

(vii) *Fair Market Value in Excess of Current Market Price.* Except with respect to a Spin-Off, in cases as to which Section 13(a)(iv) or Section 13(a)(v) applies where the Fair Market Value of the evidences of the Corporation's indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets applicable to one Common Share distributed to holders of Common Shares equals or exceeds the Current Market Price (as determined for purposes of calculating the conversion rate adjustment pursuant to Section 13(a)(iv) or Section 13(a)(v)), rather than being entitled to an adjustment in each Fixed Conversion Rate, Holders shall be entitled to receive upon conversion, in addition to a number of Common Shares otherwise deliverable on the applicable Conversion Date, the kind and amount of the evidences of the Corporation's indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets comprising the distribution that such Holder would have received if such Holder had owned immediately prior to the record date for determining the holders of Common Shares entitled to receive the distribution, for each share of Mandatory Convertible Preferred Stock, a number of Common Shares equal to the Maximum Conversion Rate in effect on the date of such distribution.

(viii) *Rights Plans.* To the extent that the Corporation has a rights plan in effect with respect to the Common Shares on any Conversion Date, upon conversion of any shares of Mandatory Convertible Preferred Stock, converting Holders shall receive, in addition to the Common Shares, the rights under such rights plan, unless, prior to such Conversion Date, the rights have separated from the Common Shares, in which case each Fixed Conversion Rate shall be adjusted at the time of separation of such rights as if the Corporation made a distribution to all holders of the Common Shares as described in Section 13(a)(iv), subject to readjustment in the event of the expiration, termination or redemption of such rights. Any distribution of rights or warrants pursuant to a rights plan that would allow Holders to receive upon conversion, in addition to any Common Shares, the rights described therein (unless such rights or warrants have separated from Common Shares) shall not constitute a distribution of rights or warrants that would entitle Holders to an adjustment to the Fixed Conversion Rates.

(b) *Adjustment for Tax Reasons.* The Corporation may make such increases in each Fixed Conversion Rate, in addition to any other increases required by this Section 13, as the Corporation deems advisable to avoid or diminish any income tax to holders of the Common Shares resulting from any dividend or distribution of Common Shares (or issuance of rights or warrants to acquire Common Shares) or from any event treated as such for income tax purposes or for any other reasons; *provided* that the same proportionate adjustment must be made to each Fixed Conversion Rate.

(c) *Calculation of Adjustments; Adjustments to Threshold Appreciation Price, Initial Price and Fundamental Change Share Price.*

(i) All adjustments to each Fixed Conversion Rate shall be calculated to the nearest 1/10,000th of a Common Share. Prior to the Mandatory Conversion Date, no adjustment in a Fixed Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein. If any adjustment by reason of this Section 13(c)(i) is not required to be made, such adjustment shall be carried forward and taken into account in any subsequent adjustment; *provided*, however, that on the earlier of the Mandatory Conversion Date, an Acquisition Termination Redemption Date, an Early Conversion Date and a Fundamental Change Effective Date, adjustments to each Fixed Conversion Rate shall be made with respect to any such adjustment carried forward that has not been taken into account before such date.

(ii) If an adjustment is made to the Fixed Conversion Rates pursuant to Sections 13(a) or 13(b), an inversely proportional adjustment shall also be made to the Threshold Appreciation Price and the Initial Price solely for purposes of determining which of clauses (i), (ii) and (iii) of Section 7(b) shall apply on the Mandatory Conversion Date. Such adjustment shall be made by dividing each of the Threshold Appreciation Price and the Initial Price by a fraction, the numerator of which shall be either Fixed Conversion Rate immediately after such adjustment pursuant to Sections 13(a) or 13(b) and the denominator of which shall be such Fixed Conversion Rate immediately before such adjustment. Whenever any provision of the Statement with Respect to Shares requires the Corporation or the Board of Directors to calculate the VWAP per Common Share over a span of multiple days, the Board of Directors shall make appropriate adjustments (including, without limitation, to the Applicable Market Value, the Early Conversion Average Price, the Stock Price and the Average Price (as the case may be)) to account for any adjustments to the Initial Price, the Threshold Appreciation Price, the Floor Price and the Fixed Conversion Rates (as the case may be) that become effective, or any event that would require such an adjustment if the Ex-Date, Effective Date or Expiration Date (as the case may be) of such event occurs, during the relevant period used to calculate such prices or values (as the case may be).

(iii) If:

(A) the record date for a dividend or distribution on Common Shares occurs after the end of the 20 consecutive Trading Day period used for calculating the Applicable Market Value and before the Mandatory Conversion Date; and

(B) such dividend or distribution would have resulted in an adjustment of the number of Common Shares issuable to the Holders had such record date occurred on or before the last Trading Day of such 20 consecutive Trading Day period,

then the Corporation shall deem the Holders to be holders of record, for each share of their Mandatory Convertible Preferred Stock, of a number of Common Shares equal to the Mandatory Conversion Rate for purposes of that dividend or distribution. In this case, the Holders would receive the dividend or distribution on Common Shares together with the number of Common Shares issuable upon the Mandatory Conversion Date.

(iv) If an adjustment is made to the Fixed Conversion Rates pursuant to Sections 13(a) or 13(b), a proportional adjustment shall be made to each Fundamental Change Share Price column heading set forth in the table included in the definition of "Fundamental Change Conversion Rate" as of the day on which the Fixed Conversion Rates are so adjusted. Such adjustment shall be made by multiplying each Fundamental Change Share Price included in such table, applicable immediately prior to such adjustment, by a fraction, the numerator of which is the Minimum Conversion Rate immediately prior to the adjustment giving rise to such Fundamental Change Share Price adjustment, and the denominator of which is the Minimum Conversion Rate as so adjusted.

(v) No adjustment to the Fixed Conversion Rates shall be made if Holders may participate, at the same time, upon the same terms and otherwise on the same basis as holders of Common Stock and solely as a result of holding Mandatory Convertible Preferred Stock, in the transaction that would otherwise give rise to an adjustment as if they held, for each share of Mandatory Convertible Preferred Stock, a number of Common Shares equal to the Maximum Conversion Rate then in effect. In addition, the Fixed Conversion Rates shall not be adjusted:

(A) upon the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Corporation's securities and the investment of additional optional amounts in Common Stock under any plan;

(B) upon the issuance of any Common Shares or rights or warrants to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Corporation or any of its subsidiaries;

(C) upon the issuance of any Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Initial Issue Date;

(D) for a change solely in the par value of the Common Stock;

(E) for stock repurchases that are not tender offers, including structured or derivative transactions; or

(F) for accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock, except as provided under Sections 7, 8 and 9.

(d) *Notice of Adjustment.* Whenever the Fixed Conversion Rates and the Fundamental Change Conversion Rates set forth in the table in the definition of "Fundamental Change Conversion Rate" are to be adjusted, the Corporation shall:

(i) compute such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates, the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based;

(ii) as soon as practicable following the occurrence of an event that requires an adjustment to the Fixed Conversion Rates and the Fundamental Change Conversion Rates, provide, or cause to be provided, a written notice to the Holders of the occurrence of such event; and

(iii) within 10 Business Days following the determination of such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates provide, or cause to be provided, to the Holders a statement setting forth in reasonable detail the method by which the adjustments to the Fixed Conversion Rates and Fundamental Change Conversion Rates were determined and setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates.

(e) *Reorganization Events*. In the event of:

- (i) any consolidation or merger of the Corporation with or into another Person (other than a merger or consolidation in which the Corporation is the continuing corporation and in which the Common Shares outstanding immediately prior to the merger or consolidation are not exchanged for cash, securities or other property of the Corporation or another Person);
- (ii) any sale, transfer, lease or conveyance to another Person of all or substantially all of the property and assets of the Corporation;
- (iii) any reclassification of Common Shares into securities including securities other than Common Shares; or
- (iv) any statutory exchange of securities of the Corporation with another Person (other than in connection with a merger or acquisition),

in each case, as a result of which the Common Shares would be converted into, or exchanged for, securities, cash or other property (each, a “**Reorganization Event**”), each share of Mandatory Convertible Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of the Holders, become convertible into the kind of securities, cash and other property that such Holder would have been entitled to receive if such Holder had converted its Mandatory Convertible Preferred Stock into Common Shares immediately prior to such Reorganization Event (such securities, cash and other property, the “**Exchange Property**,” with each “**Unit of Exchange Property**” meaning the kind and amount of such Exchange Property that a Holder of one Common Share is entitled to receive). For purposes of the foregoing, the type and amount of Exchange Property in the case of any Reorganization Event that causes the Common Stock to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election) shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election (or of all holders of Common Shares if none makes an election). The Corporation shall notify Holders of the weighted average as soon as practicable after such determination is made. The number of Units of Exchange Property for each share of Mandatory Convertible Preferred Stock converted following the effective date of such Reorganization Event shall be determined as if references in Section 7, Section 8 and Section 9 to Common Shares were to Units of Exchange Property (without any interest thereon and without any right to dividends or distributions thereon which have a record date that is prior to such Conversion Date, except as provided in Section 13(a)(vii), Section 13(c)(iii) and Section 13(c)(v)). For the purpose of determining which of clauses (i), (ii) and (iii) of Section 7(b) shall apply upon Mandatory Conversion, and for the purpose of calculating the Mandatory Conversion Rate if clause (ii) of Section 7(b) is applicable, the value of a Unit of Exchange Property shall be determined in good faith by the Board of Directors (which determination will be final), except that if a Unit of Exchange Property includes common stock or American Depositary Receipts (“**ADRs**”) that are traded on a U.S. national securities exchange, the value of such common stock or ADRs shall be the average over the 20 consecutive Trading Day period ending on, and including, the third Trading Day immediately preceding the Mandatory Conversion Date of the volume weighted average prices for such common stock or ADRs, as displayed on the applicable Bloomberg screen (as determined in good faith by the Board of Directors (which determination will be final)); or, if such price is not available, the average market value per share of such common stock or ADRs over such period as determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

The above provisions of this Section 13(e) shall similarly apply to successive Reorganization Events and the provisions of Section 13 shall apply to any shares of capital stock or ADRs of the Corporation (or any successor thereto) received by the holders of Common Shares in any such Reorganization Event.

The Corporation (or any successor thereto) shall, as soon as reasonably practicable (but in any event within 20 calendar days) after the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence and of the kind and amount of the cash, securities or other property that constitute the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section 13(e).

SECTION 14. *Transfer Agent, Registrar, and Conversion, Dividend Disbursing and Redemption Agent.* The duly appointed Transfer Agent and Registrar for the Mandatory Convertible Preferred Stock shall be Computershare Trust Company, N.A., and the Conversion Agent, Dividend Disbursing Agent, and Redemption Agent for the Mandatory Convertible Preferred Stock shall be Computershare Inc. The Corporation may, in its sole discretion, remove the Transfer Agent, Registrar or Conversion Agent, Dividend Disbursing Agent and Redemption Agent in accordance with the agreement between the Corporation and the Transfer Agent, Registrar or Conversion Agent, Dividend Disbursing Agent and Redemption Agent, as the case may be; *provided* that if the Corporation removes Computershare Trust Company, N.A. or Computershare Inc., the Corporation shall appoint a successor transfer agent, registrar or conversion, dividend disbursing and redemption agent, as the case may be, who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof by first-class mail, postage prepaid, to the Holders.

SECTION 15. *Record Holders.* To the fullest extent permitted by applicable law, the Corporation and the Transfer Agent may deem and treat the Holder of any share of Mandatory Convertible Preferred Stock as the true and lawful owner thereof for all purposes.

SECTION 16. *Notices.* All notices or communications in respect of the Mandatory Convertible Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in the Statement with Respect to Shares, in the Articles of Incorporation or the By-laws and by applicable law. Notwithstanding the foregoing, if shares of Mandatory Convertible Preferred Stock are represented by Global Preferred Shares, such notices may also be given to the Holders in any manner permitted by DTC or any similar facility used for the settlement of transactions in the shares of Mandatory Convertible Preferred Stock.

SECTION 17. *No Preemptive Rights.* The Holders shall have no preemptive or preferential rights to purchase or subscribe for any stock, obligations, warrants or other securities of the Corporation of any class.

SECTION 18. *Other Rights.* The shares of the Mandatory Convertible Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation or as provided by applicable law.

SECTION 19. *Share Certificates.*

(a) Shares of Mandatory Convertible Preferred Stock shall initially be represented by share certificates substantially in the form set forth as Exhibit A hereto.

(b) Share certificates representing shares of the Mandatory Convertible Preferred Stock shall be signed in accordance with the By-laws and applicable Pennsylvania law, by manual or facsimile signature.

(c) A share certificate representing shares of the Mandatory Convertible Preferred Stock shall not be valid until manually countersigned by an authorized signatory of the Transfer Agent and Registrar. Each share certificate representing shares of the Mandatory Convertible Preferred Stock shall be dated the date of its countersignature.

(d) If any Officer of the Corporation who has signed a share certificate no longer holds that office at the time the Transfer Agent and Registrar countersigns the stock certificate, the share certificate shall be valid nonetheless.

(e) The Corporation may at its option issue shares of Mandatory Convertible Preferred Stock without certificates under the circumstances specified in Section 21(d).

SECTION 20. *Replacement Certificates.*

(a) If physical certificates are issued, and any of the Mandatory Convertible Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Corporation shall, at the expense of the Holder, issue, in exchange and in substitution for and upon cancellation of the mutilated Mandatory Convertible Preferred Stock certificate, or in lieu of and substitution for the Mandatory Convertible Preferred Stock certificate lost, stolen or destroyed, a new Mandatory Convertible Preferred Stock certificate of like tenor and representing an equivalent Liquidation Preference of Mandatory Convertible Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Mandatory Convertible Preferred Stock certificate and indemnity, if requested, reasonably satisfactory to the Corporation and the Transfer Agent.

(b) The Corporation is not required to issue any certificate representing the Mandatory Convertible Preferred Stock on or after the Mandatory Conversion Date. In lieu of the delivery of a replacement certificate following the Mandatory Conversion Date, the Transfer Agent, upon delivery of the evidence and indemnity described above, shall deliver the Common Shares issuable and any cash deliverable pursuant to the terms of the Mandatory Convertible Preferred Stock formerly evidenced by the certificate.

SECTION 21. *Book Entry Form.*

(a) Shares of Mandatory Convertible Preferred Stock shall be issued in global form (“**Global Preferred Shares**”) eligible for book-entry settlement with the Depositary, represented by one or more stock certificates in global form registered in the name of the Depositary or a nominee of the Depositary bearing the form of global securities legend set forth in Exhibit A. The aggregate number of shares of Mandatory Convertible Preferred Stock represented by each stock certificate representing Global Preferred Shares may from time to time be increased or decreased by a notation by the Registrar and Transfer Agent on Schedule I attached to the stock certificate.

(b) Members of, or participants in, the Depositary (“**Agent Members**”) shall have no rights under the Statement with Respect to Shares, with respect to any Global Preferred Shares, and the Depositary shall be treated by the Corporation, the Registrar and any agent of the Corporation or the Registrar as the absolute owner of the Mandatory Convertible Preferred Stock held as Global Preferred Shares. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any shares of Mandatory Convertible Preferred Stock. The Holders may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Mandatory Convertible Preferred Stock, the Statement with Respect to Shares, or the Articles of Incorporation.

(c) Transfers of a Global Preferred Share shall be limited to transfers of such Global Preferred Share in whole, but not in part, to nominees of the Depositary or to a successor of the Depositary or such successor’s nominee.

(d) If DTC is at any time unwilling or unable to continue as Depositary for the Global Preferred Shares or DTC ceases to be registered as a “clearing agency” under the Exchange Act, and in either case a successor Depositary is not appointed by the Corporation within 90 days, the Corporation shall issue certificated shares in exchange for the Global Preferred Shares or otherwise provide for alternate book-entry arrangements with respect to the Mandatory Convertible Preferred Stock. In any such case, the Global Preferred Shares shall be exchanged in whole for definitive stock certificates, in substantially the form attached hereto as Exhibit A, representing an equal aggregate Liquidation Preference or otherwise exchanged pursuant to such alternate book-entry arrangements providing for beneficial interests of an equal aggregate Liquidation Preference. If definitive stock certificates are issued pursuant to this Section 21(d), such definitive stock certificates shall be registered in the name or names of the Person or Persons specified by DTC in a written instrument to the Registrar.

SECTION 22. *Miscellaneous*

(a) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Mandatory Convertible Preferred Stock or Common Shares or other securities issued on account of shares of Mandatory Convertible Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of Common Shares or other securities in a name other than that in which the shares of Mandatory Convertible Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, and shall not be required to make any such issuance or delivery unless and until the Person otherwise entitled to such issuance or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(b) The Liquidation Preference and the Dividend Rate each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Mandatory Convertible Preferred Stock. Such adjustments shall be determined in good faith by the Board of Directors and submitted by the Board of Directors to the Transfer Agent.

[FORM OF FACE OF CLASS B MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1 CERTIFICATE]

[INCLUDE FOR GLOBAL PREFERRED SHARES]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE CORPORATION OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE.

Certificate Number [Initial] Number of shares of Mandatory Convertible Preferred Stock: []

CUSIP: [ADD] ISIN: [ADD]

Alcoa Inc.

5.375% Class B Mandatory Convertible Preferred Stock, Series 1 (par value \$1.00 per share) (Liquidation Preference as specified below)

Alcoa, Inc., a Pennsylvania corporation (the “Corporation”), hereby certifies that [] (the “Holder”), is the registered owner of [] (the number shown on Schedule I hereto of) fully paid and non-assessable shares of the Corporation’s designated 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, with a par value of \$1.00 per share and a Liquidation Preference of \$500 per share (the “Mandatory Convertible Preferred Stock”). Shares of Mandatory Convertible Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the shares of Mandatory Convertible Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Statement with Respect to Shares establishing the terms of the 5.375% Mandatory Convertible Preferred Stock of Alcoa Inc. dated September 22, 2014, as the same may be amended from time to time (the “Statement with Respect to Shares”), and the other provisions of the Articles of Incorporation of Alcoa Inc., as the same may be amended from time to time. Capitalized terms used herein but not defined shall have the meaning given them in the Statement with Respect to Shares. The Corporation will provide a copy of the Statement with Respect to Shares and the Articles of Incorporation to the Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to the provisions of the Mandatory Convertible Preferred Stock set forth on the reverse hereof and in the Statement with Respect to Shares and the Articles of Incorporation, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Holder is bound by the Statement with Respect to Shares and the Articles of Incorporation and is entitled to the benefits thereunder.

Unless the Transfer Agent and Registrar have properly countersigned, these shares of Mandatory Convertible Preferred Stock shall not be entitled to any benefit under the Statement with Respect to Shares or the Articles of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by two Officers of the Corporation this [] of [], [].

Alcoa Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

COUNTERSIGNATURE

These are shares of the Mandatory Convertible Preferred Stock referred to in the within-mentioned Statement with Respect to Shares.

Dated: [], []

[Computershare Trust Company, N.A.], as
Registrar and Transfer Agent

By: _____
Name:
Title:

[FORM OF REVERSE OF CERTIFICATE FOR MANDATORY CONVERTIBLE PREFERRED STOCK]

Cumulative dividends on each share of Mandatory Convertible Preferred Stock shall be payable at the applicable rate provided in the Statement with Respect to Shares.

The Mandatory Convertible Preferred Stock shall be convertible in the manner and accordance with the terms set forth in the Statement with Respect to Shares.

The Corporation shall furnish without charge to each Holder who so requests a statement of the designations, voting rights, preferences, limitations, and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and the authority of the board of directors to fix and determine the designations, voting rights, preferences, limitations, and special rights of the classes and series of shares of the corporation.

NOTICE OF CONVERSION

(To be Executed by the Holder
in order to Convert the Mandatory Convertible Preferred Stock)

The undersigned hereby irrevocably elects to convert (the "Conversion") [] shares of 5.375% Class B Mandatory Convertible Preferred Stock, Series 1 (the "Mandatory Convertible Preferred Stock"), of Alcoa, Inc. (hereinafter called the "Corporation"), represented by stock certificate No(s). [] (the "Mandatory Convertible Preferred Stock Certificates"), into shares of the common stock, par value \$1.00 per share, of the Corporation (the "Common Stock") according to the conditions of the Statement with Respect to Shares establishing the terms of Mandatory Convertible Preferred Stock (the "Statement with Respect to Shares"), as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto, if any. Each Mandatory Convertible Preferred Stock Certificate (or evidence of loss, theft or destruction thereof) is attached hereto.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in or pursuant to the Statement with Respect to Shares.

Date of Conversion: _____

Applicable Conversion Rate: _____

Number of shares of Mandatory Convertible Preferred Stock to be Converted: _____

Number of Shares of Common Stock to be Issued:* _____

Signature: _____

Name: _____

Address:** _____

Fax No.: _____

* The Corporation is not required to issue shares of Common Stock until the original Mandatory Convertible Preferred Stock Certificate(s) (or evidence of loss, theft or destruction thereof) to be converted are received by the Corporation or the Conversion and Dividend Disbursing Agent.

** Address where shares of Common Stock and any other payments or certificates shall be sent by the Corporation.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Mandatory Convertible Preferred Stock evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Mandatory Convertible Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature: _____
(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Alcoa Inc.

Global Preferred Share
5.375% Class B Mandatory Convertible Preferred Stock, Series 1

Certificate Number:

The number of shares of Mandatory Convertible Preferred Stock initially represented by this Global Preferred Share shall be []. Thereafter the Transfer Agent and Registrar shall note changes in the number of shares of Mandatory Convertible Preferred Stock evidenced by this Global Preferred Share in the table set forth below:

<u>Amount of Decrease in Number of Shares Represented by this Global Preferred Share</u>	<u>Amount of Increase in Number of Shares Represented by this Global Preferred Share</u>	<u>Number of Shares Represented by this Global Preferred Share following Decrease or Increase</u>	<u>Signature of Authorized Officer of Transfer Agent and Registrar</u>
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¹ Attach Schedule I only to Global Preferred Shares.

DEPOSIT AGREEMENT

among

**ALCOA INC.,
as issuer**

and

COMPUTERSHARE TRUST COMPANY, N.A., as Depositary,

COMPUTERSHARE INC.,

and

THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS DESCRIBED HEREIN

Dated as of September 22, 2014

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of September 22, 2014, among (i) ALCOA INC., a Pennsylvania corporation (the “Corporation”); (ii) COMPUTERSHARE INC., a Delaware corporation, and its wholly-owned subsidiary COMPUTERSHARE TRUST COMPANY, N.A, a federally chartered trust company and national banking association; and (iii) the holders from time to time of the Receipts (as hereinafter defined) described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of the Convertible Preferred Stock (as hereinafter defined) of the Corporation from time to time with the Depositary (as hereinafter defined) for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts evidencing Depositary Shares (as hereinafter defined) in respect of shares of the Convertible Preferred Stock so deposited;

WHEREAS, the Receipts are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement; and

WHEREAS, the terms, conditions and pricing mechanisms upon conversion of the Convertible Preferred Stock are set forth in the Statement (as hereinafter defined) attached hereto as Exhibit B; and

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I DEFINED TERMS

Section 1.1. Definitions

The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms (in the singular and plural forms of such terms) used in this Deposit Agreement:

“Accumulated Dividend Amount” shall have the meaning set forth in the Statement.

“Acquisition Termination Conversion Rate” shall have the meaning set forth in the Statement.

“Acquisition Termination Dividend Amount” shall have the meaning set forth in the Statement.

“Acquisition Termination Event” shall have the meaning set forth in the Statement.

“Acquisition Termination Make-whole Amount” shall have the meaning set forth in the Statement.

“Acquisition Termination Market Value” shall have the meaning set forth in the Statement.

“Acquisition Termination Redemption Date” shall have the meaning set forth in the Statement.

“Acquisition Termination Share Price” shall have the meaning set forth in the Statement.

“Affiliate” shall mean, with respect to any person or entity, any person or entity directly or indirectly controlling, controlled by, or under common control with, such other person or entity. For the purpose of this definition, “controlling,” “controlled by” or “under common control with” mean the ownership, direct or indirect, of the power to direct or cause the direction of the operation or management and policies of a person or entity, whether through the ownership or control of voting interests, by contract or otherwise.

“Articles of Incorporation” shall mean the Corporation’s Articles of Incorporation, including any statements with respect to shares, as it may be amended from time to time.

“Board of Directors” shall have the meaning set forth in the Statement.

“close of business” shall mean 5:00 p.m. (New York City time).

“Common Stock” shall mean the common stock, par value \$1.00 per share, of the Corporation.

“Computershare” shall mean Computershare Inc., a Delaware corporation.

“Conversion Date” shall have the meaning set forth in the Statement.

“Conversion Number” shall have the meaning set forth in Section 2.10.

“Convertible Preferred Stock” shall mean the Corporation’s 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share, \$500 liquidation preference per share, designated in the Statement.

“Corporation” shall have the meaning set forth in the Preamble of this Deposit Agreement and shall include its successors and assigns.

“Deposit Agreement” shall mean this Deposit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

“Depositary” shall mean the Trust Company and, subject to the provisions of Section 5.5, shall include its successors and assigns.

“Depository Shares” shall mean the depository shares, each representing one-tenth (1/10th) of one share of the Convertible Preferred Stock, and evidenced by a Receipt.

“Depository’s Agent” shall mean an agent appointed by the Depository pursuant to Section 7.5.

“Depository’s Office” shall mean the principal office of the Depository at which at any particular time its business in respect of matters governed by this Deposit Agreement shall be administered, which at the date of this Deposit Agreement is located at 250 Royall Street, Canton, Massachusetts, 02021.

“Dividend Payment Date” shall have the meaning set forth in the Statement.

“Dividend Period” shall have the meaning set forth in the Statement.

“DTC” shall have the meaning set forth in Section 2.1.

“DTC Receipt” shall have the meaning set forth in Section 2.1.

“Early Conversion Average Price” shall have the meaning set forth in the Statement.

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

“Fundamental Change Dividend Make-whole Amount” shall have the meaning set forth in the Statement.

“Funds” shall have the meaning set forth in Section 4.1.

“Initial Price” shall have the meaning set forth in the Statement.

“Mandatory Conversion Date” shall have the meaning set forth in the Statement.

“New York Stock Exchange” shall have the meaning set forth in Section 2.1.

“Person” shall mean any natural person, partnership, joint venture, firm, corporation, limited liability company, limited liability partnership, unincorporated association, trust or other entity, and shall include any successor (by merger or otherwise) of the foregoing.

“Physical Receipt” shall have the meaning set forth in Section 2.1.

“Receipt” shall mean one of the depository receipts issued hereunder, substantially in the form set forth as Exhibit A hereto, whether in the form of DTC Receipts or Physical Receipts, and evidencing the number of Depository Shares with respect to shares of the Convertible Preferred Stock held of record by the Record Holder of such Depository Shares.

“Record Holder” or “Holder” as applied to a Receipt shall mean the Person in whose name such Receipt is registered on the books of the Depository maintained for such purpose.

“Redemption Date” shall have the meaning set forth in Section 2.8.

“Reference Amount” shall have the meaning set forth in the Statement.

“Registrar” shall mean the Depositary or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts as herein provided and if a successor Registrar shall be so appointed, references herein to “the books” of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such successor Registrar for such purpose.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Signature Guarantee” shall have the meaning set forth in Section 2.3.

“Statement” shall mean the relevant Statement with Respect to Shares filed with the Department of State of the Commonwealth of Pennsylvania on September 22, 2014 and attached hereto as Exhibit B, and as such certificate may be amended or restated from time to time, that amends the Articles of Incorporation of the Corporation, adopted by the Board of Directors of the Corporation or a duly authorized committee thereof establishing the Convertible Preferred Stock as a series of preferred stock of the Corporation and setting forth the rights, preferences and privileges of the Convertible Preferred Stock.

“Transfer Agent” shall mean the Depositary or such other successor bank or trust company which shall be appointed by the Corporation to transfer the Receipts or the deposited shares of Convertible Preferred Stock, as the case may be, as herein provided.

“Trust Company” shall mean Computershare Trust Company, N.A., a federally chartered trust company and national banking association.

“Underwriters” shall mean Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC.

“Underwriting Agreement” shall mean that certain underwriting agreement, dated as of September 16, 2014, among the Corporation and the Underwriters.

ARTICLE II

FORM OF RECEIPTS, DEPOSIT OF THE CONVERTIBLE PREFERRED STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

Section 2.1. Rights, Privileges and Preferences; Form and Transfer of Receipts

Subject to the terms of this Deposit Agreement, each Holder of a Receipt is entitled, proportionately, to all the rights, preferences and privileges of the Convertible Preferred Stock represented by the Depositary Shares evidenced by such Receipt (including the conversion, dividend, voting, and liquidation rights contained in the Statement) and the same proportionate interest in any and all other property received by the Depositary in respect of such Convertible Preferred Stock and held under this Deposit Agreement.

Upon request by the Corporation, the Corporation and the Depository shall make application to The Depository Trust Company (“DTC”) for acceptance of all of the Receipts for its book-entry settlement system. The Corporation hereby appoints the Depository acting through any authorized officer thereof as its attorney-in-fact, with full power to delegate, for purposes of executing any agreements, certifications or other instruments or documents necessary or desirable in order to effect the acceptance of such Receipts for DTC eligibility. So long as the Receipts are eligible for book-entry settlement with DTC, unless otherwise required by law, all Depository Shares with book-entry settlement through DTC shall be represented by a single receipt or receipts (the “DTC Receipt”), which shall be deposited with DTC (or its designee) evidencing all such Depository Shares and registered in the name of the nominee of DTC (initially Cede & Co.). The Depository or such other entity as is agreed to by DTC may hold the DTC Receipt as custodian for DTC. Ownership of beneficial interests in the DTC Receipt shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (a) DTC or its nominee for such DTC Receipt or (b) institutions that have accounts with DTC. The DTC Receipt shall bear such legend or legends as may be required by DTC in order for it to accept the Depository Shares for its book-entry settlement system. The aggregate number of Depository Shares evidenced by Receipts that may be executed and delivered under this Deposit Agreement is initially limited to 25,000,000 (as increased from time to time by an amount equal to the aggregate number of any additional Depository Shares purchased by the Underwriters pursuant to the exercise of their over-allotment option as set forth in the Underwriting Agreement), except for Receipts executed and delivered in respect of Depository Shares upon registration or transfer of, or in exchange for, or in lieu of other Receipts pursuant to Section 2.3, Section 2.4 or Section 4.6.

The DTC Receipt shall be exchangeable for definitive Physical Receipts (as defined below) only if (i) DTC notifies the Corporation at any time that it is unwilling or unable to continue to make its book-entry settlement system available for the Receipts and a successor to DTC is not appointed by the Corporation within 90 days of the date the Corporation is so informed in writing or (ii) DTC ceases to be registered as a clearing agency under the Exchange Act, and a successor to DTC is not appointed by the Corporation within 90 days. The Corporation shall provide written notice to the Depository upon receipt of notice of the occurrence of any event described in clause (i) or (ii) of the preceding sentence. Until such written notice is received by the Depository, the Depository may presume conclusively for all purposes that the events described in clause (i) and (ii) of the first sentence of this paragraph have not occurred. If the beneficial owners of interests in Depository Shares are entitled to exchange such interests for definitive Receipts as the result of an event described in clause (i), or (ii) of the first sentence of this paragraph, then without unnecessary delay, the Depository shall provide written instructions to DTC to deliver the DTC Receipt to the Depository for cancellation, and, without unnecessary delay, the Corporation shall instruct the Depository to deliver to the beneficial owners of the Depository Shares previously evidenced by the DTC Receipt definitive Receipts in physical form (each, a “Physical Receipt”) evidencing such Depository Shares.

Physical Receipts issued in exchange for all or a part of the DTC Receipt pursuant to this Section 2.1 shall be registered in such names and in such authorized denominations as DTC, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Depository. Upon execution and authentication, the Depository shall deliver such Physical Receipts to the Persons or entities in whose names such Physical Receipts are so registered.

At such time as all interests in a DTC Receipt have been converted, canceled, surrendered or transferred, such DTC Receipt shall be, upon receipt thereof, canceled by the Depositary in accordance with standing procedures and existing instructions between DTC and DTC's custodian. At any time prior to such cancellation, if any interest in a DTC Receipt is exchanged for Physical Receipts, converted, canceled, surrendered or transferred to a transferee who receives Physical Receipts therefor or any Physical Receipt is exchanged or transferred for part of such DTC Receipt, the number of Depositary Shares evidenced by such DTC Receipt shall, in accordance with the standing procedures and instructions existing between DTC and DTC's custodian, be appropriately reduced or increased, as the case may be, and an endorsement shall be made on such DTC Receipt, by the Depositary or DTC's custodian, at the direction of the Depositary, to reflect such reduction or increase.

Beneficial owners of Depositary Shares through DTC shall not receive or be entitled to receive Physical Receipts or be entitled to have Depositary Shares registered in their name, except as described in the third immediately preceding paragraph, in which case the provisions set forth in such paragraph and the second immediately succeeding paragraph regarding the issuance of Physical Receipts shall apply. Except as specifically provided herein, beneficial owners of Depositary Shares through DTC shall not be considered the owners or holders of the Convertible Preferred Stock under this Deposit Agreement for any purpose, including with respect to the giving of any direction, instruction or approval to the Depositary under this Deposit Agreement.

Receipts shall be in denominations of any number of whole Depositary Shares. All Receipts shall be dated the date of their issuance. The Corporation shall deliver to the Depositary from time to time such quantities of Receipts as the Depositary may request to enable the Depositary to perform its obligations under this Deposit Agreement.

The DTC Receipt and Physical Receipts, if any, shall be substantially in the form set forth in Exhibit A annexed to this Deposit Agreement and incorporated herein by reference, with appropriate insertions, modifications and omissions, as hereinafter provided and shall be engraved or otherwise prepared so as to comply with the applicable rules of The New York Stock Exchange (the "NYSE") or any other securities exchange on which the Depositary Shares are then listed, if applicable. In the event the DTC Receipt becomes exchangeable for definitive Physical Receipts as provided in this Section 2.1, the Depositary, pending preparation of definitive Physical Receipts and upon the written order of the Corporation, delivered in compliance with Section 2.1, shall execute and deliver temporary Receipts, which may be printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the Physical Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Corporation and the Depositary will cause Physical Receipts to be prepared without unreasonable delay. After the preparation of Physical Receipts, the temporary Receipts shall be exchangeable by the Record Holder for Physical Receipts upon surrender of the temporary Receipts at the Depositary's Office or such other place or places as the Depositary shall

determine pursuant to the first paragraph of Section 2.4, without charge to the Record Holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary shall execute and deliver in exchange therefor Physical Receipts representing the same number of Depositary Shares as represented by the surrendered temporary Receipt or Receipts registered in the name (and only in the name) of the holder of the temporary Receipt or Receipts; provided that, the Depositary has been provided with all necessary information that it may request in order to execute and deliver such definitive Physical Receipts. Such exchange shall be made at the Corporation's expense and without any charge therefor to the Record Holder or the Depositary. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement as Physical Receipts.

Receipts shall be executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually or by the facsimile signature of a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual or facsimile signature of a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts may be endorsed with, or have incorporated in the text thereof, such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement, all as may be required by the Depositary and approved by the Corporation or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of the NYSE or any other securities exchange upon which the Convertible Preferred Stock, the Depositary Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject.

Title to Depositary Shares evidenced by a Receipt that is properly endorsed, or accompanied by a properly executed instrument of transfer, shall be transferable by delivery of such Receipt with the same effect as if such Receipt were a negotiable instrument; provided, however, that until transfer of any particular Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the Record Holder thereof at such time as the absolute owner thereof (x) for the purpose of determining the Person (i) entitled to distributions of dividends or other distributions of securities, cash or other property or payments with respect to the Convertible Preferred Stock, (ii) entitled to exercise any voting, or conversion rights with respect to the Convertible Preferred Stock and (iii) entitled to receive any notice provided for in this Deposit Agreement and (y) for all other purposes.

The Corporation shall provide an opinion of counsel to the Depositary prior to the effective date of this Agreement, to set up a reserve, stating that:

(1) the Depositary Shares and the Preferred Stock have been registered under the Securities Act; and

(2) the Preferred Stock, when issued and delivered against payment therefor, will be duly and validly issued and fully paid and non-assessable.

Section 2.2. Deposit of the Convertible Preferred Stock; Execution and Delivery of Receipts in Respect Thereof

Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of the Convertible Preferred Stock under this Deposit Agreement by delivery to the Depository of a certificate or certificates for such shares of the Convertible Preferred Stock to be deposited, properly endorsed or accompanied, if required by the Depository, by a duly executed instrument of transfer or endorsement, in form reasonably satisfactory to the Depository, together with (i) all such certifications as may be required by the Depository pursuant to this Deposit Agreement and (ii) an instruction letter from the Corporation authorizing the Depository to register such shares of the Convertible Preferred Stock in book-entry form, each in form satisfactory to the Depository, together with all such certifications as may be required by the Depository in accordance with the provisions of this Deposit Agreement, and together with a written order of the Corporation directing the Depository to execute and deliver to, or upon the written order of, the Person or Persons stated in such order a Receipt or Receipts evidencing in the aggregate the number of Depository Shares representing such deposited shares of the Convertible Preferred Stock.

The shares of the Convertible Preferred Stock that are deposited shall be held by the Depository at the Depository's Office or at such other place or places as the Depository shall determine. The Depository shall not lend any shares of the Convertible Preferred Stock deposited hereunder.

Upon receipt by the Depository of a certificate or certificates for shares of the Convertible Preferred Stock deposited in accordance with the provisions of this Section 2.2, together with the other documents required as above specified, and upon recordation of the shares of the Convertible Preferred Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depository or its nominee, the Depository, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the Person or Persons named in the written order delivered to the Depository referred to in the first paragraph of this Section 2.2, a Receipt or Receipts evidencing in the aggregate the number of Depository Shares representing the shares of the Convertible Preferred Stock so deposited and registered in such name or names as may be requested by such Person or Persons. The Depository shall execute and deliver such Receipt or Receipts at the Depository's Office or such other offices, if any, as the Depository may designate. Delivery at other offices shall be at the risk and expense of the Person requesting such delivery.

Section 2.3. Registration of Transfer of Receipts

The Corporation hereby appoints Computershare and Trust Company as the Registrar and Transfer Agent for the Receipts and Computershare and Trust Company hereby accept such appointment, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, shall register on its books from time to time transfers of Receipts upon any surrender thereof by the Holder in person or by duly authorized

attorney, properly endorsed or accompanied by a properly executed instrument of transfer or endorsement, along with any evidence of authority that may be required by the Depository, including, but not limited to, a guarantee of the signature thereon from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association (a "Signature Guarantee"), together with any other evidence of authority as may be required by law. Thereupon, the Depository shall execute a new Receipt or Receipts evidencing the same aggregate number of Depository Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the Person entitled thereto. Any references to the Depository herein shall, to the extent applicable, mean the Depository as the Transfer Agent and Registrar.

Section 2.4. Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of the Convertible Preferred Stock

Upon surrender of a Receipt or Receipts at the Depository's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and subject to the terms and conditions of this Deposit Agreement, the Depository shall execute a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depository Shares evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the Holder of the Receipt or Receipts so surrendered.

Any Holder of a Receipt or Receipts may withdraw the number of whole shares of the Convertible Preferred Stock and all money and/or other property, if any, represented thereby by (x) in the case of Physical Receipt(s), surrendering such Receipt(s), or Depository Shares represented by the Receipts, at the Depository's Office or at such other offices as the Depository may designate for such withdrawals and (y) in the case of a DTC Receipt, by complying with the appropriate DTC procedures for such withdrawal; provided, however, that a Holder of a Receipt or Receipts may not withdraw such whole shares of Convertible Preferred Stock (or money and other property, if any, represented thereby) which has previously been called for redemption as so provided for in the Statement. After such surrender and upon the receipt of written instructions from the Holder of such Receipt or Receipts, without unreasonable delay, the Depository shall deliver to such Holder, or to the Person or Persons designated by such Holder as hereinafter provided, the number of whole shares of the Convertible Preferred Stock and all money and/or other property, if any, represented by the Receipt(s), or Depository Shares represented by such Receipt(s), representing the Convertible Preferred Stock subject to withdrawal, but Holders of such whole shares of the Convertible Preferred Stock will not thereafter be entitled to deposit such shares of the Convertible Preferred Stock hereunder or to receive a Receipt evidencing Depository Shares therefor. If a Physical Receipt delivered by the Holder to the Depository in connection with such withdrawal shall evidence a number of Depository Shares in excess of the number of Depository Shares representing the number of whole shares of the Convertible Preferred Stock to be withdrawn, the Depository shall at the same time, in addition to such number of whole shares of the Convertible Preferred Stock and such money and/or other property, if any, to be so withdrawn, deliver to such Holder, or subject to Section 2.3 upon his order, a new Physical Receipt evidencing such excess number of Depository Shares; provided, however, that such Physical Receipt shall only represent a whole number of Depository Shares and the Depository shall not issue any Physical Receipt evidencing a fractional Depository Share.

Delivery of shares of the Convertible Preferred Stock and money and other property, if any, being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depository may deem appropriate.

If shares of the Convertible Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a Person or Persons other than the Record Holder of the related Receipt or Receipts being surrendered for withdrawal of such shares of the Convertible Preferred Stock, such Holder shall execute and deliver to the Depository a written order so directing the Depository and the Depository may require that the Receipt or Receipts surrendered by such Holder for withdrawal of such shares of the Convertible Preferred Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of shares of the Convertible Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depository at the Depository's Office or at such other place or places as the Depository shall determine, except that, at the Depository's sole discretion and at the request, risk and expense of the Holder surrendering such Receipt or Receipts and for the account of the Holder thereof, such delivery may be made at such other place as may be designated by such Holder.

Section 2.5. Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depository, any of the Depository's Agents or the Corporation may require (i) payment to it of a sum sufficient for the payment (or, in the event that the Depository or the Corporation shall have made such payment, the reimbursement to it) of any charges, taxes or expenses payable by the Holder of a Receipt pursuant to Section 5.8 (including any such tax or charge with respect to the shares of Convertible Preferred Stock being deposited or withdrawn or any charges or expense pursuant to Section 3.2), (ii) the production of evidence satisfactory to it as to the identity and genuineness of any signature (which evidence may include a Signature Guarantee), and (iii) any other reasonable evidence of authority that may be required by the Depository, and may also require compliance with such regulations, if any, as the Depository or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law.

The deposit of shares of the Convertible Preferred Stock may be refused, the delivery of Receipts against shares of the Convertible Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depository, any of the Depository's Agents or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or any stock exchange rule or under any provision of this Deposit Agreement.

Section 2.6. Lost Receipts, etc.

In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, only upon (i) the filing by the Holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of his or her ownership thereof; and (ii) the Holder thereof furnishing of the Depositary with an open penalty surety bond satisfactory to the Depositary and holding the Depositary and the Corporation harmless, absent notice to the Depositary that such Receipts have been acquired by a bona fide purchaser. The Depositary may, at its option, issue replacement Receipts for mutilated Receipts upon presentation thereof without such indemnity. Such Holder shall also comply with such other reasonable regulations and pay such other reasonable charges as the Depositary may prescribe and also as may be required by Section 8-405 of the Uniform Commercial Code.

Section 2.7. Cancellation and Destruction of Surrendered Receipts

All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary, including Receipts surrendered in connection with any conversion of the Convertible Preferred Stock in accordance with the Statement, subject, in the case of conversion, to the right of Record Holders of such Receipts to receive the distributions in respect of such conversion under Section 4.1 or Section 4.2. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled. In addition, following the automatic conversion of outstanding Convertible Preferred Stock (if applicable) pursuant to Section 7 of the Statement, all Receipts evidencing Depositary Shares corresponding to the Convertible Preferred Stock so converted shall be deemed cancelled on the Mandatory Conversion Date (if so provided for in the Statement), subject to the right of Record Holders of such Receipts to receive the distributions in respect of such conversion under Section 4.1 and Section 4.2.

Section 2.8. Redemption of the Convertible Preferred Stock

If within ten business days following the earlier of (i) the date on which an Acquisition Termination Event occurs and (ii) 5:00 p.m. (New York City time) on April 1, 2015, if the Acquisition has not closed on or prior to such time on such date, the Corporation elects to redeem shares of the Convertible Preferred Stock, in whole but not in part, it shall give or cause to be given to the Depositary notice of the Acquisition Termination Redemption Date, which notice shall be accompanied by a certificate from the Corporation stating that such redemption of shares of the Convertible Preferred Stock is in accordance with the provisions of the Statement. The Acquisition Termination Redemption Date shall be not less than 30 nor more than 60 days following the date on which the Corporation provides notice of such acquisition termination redemption; or, in the case that the Acquisition Termination Share Price is greater than the Initial Price and the Corporation elects to pay cash in lieu of delivering all or any portion of the shares

of Common Stock equal to the Acquisition Termination Conversion Rate, or if the Corporation elects to deliver shares of Common Stock in lieu of all or any portion of the Acquisition Termination Dividend Amount, the Acquisition Termination Redemption Date will be the third business day following the last trading day of the 20 consecutive trading day period used to determine the Acquisition Termination Market Value.

The Depositary shall, if requested in writing and provided with all necessary information, mail the notice of the Corporation's redemption of shares of the Convertible Preferred Stock and the proposed simultaneous redemption of the number of Depositary Shares representing such shares of the Convertible Preferred Stock to be redeemed by first-class mail, postage prepaid, at the respective last addresses as they appear on the records of the Depositary, or transmit by such other method approved by the Depositary, in its reasonable discretion (provided that, if the Depositary Shares are held in book-entry form through DTC, the Corporation may give notice in any manner provided by DTC), to the Record Holders of the Receipts evidencing the Depositary Shares to be so redeemed, not less than thirty (30) days and not more than sixty (60) days prior to the Acquisition Termination Redemption Date; or, in the case that the Acquisition Termination Share Price is greater than the Initial Price and the Corporation elects to pay cash in lieu of delivering all or any portion of the shares of Common Stock equal to the Acquisition Termination Conversion Rate, or if the Corporation elects to deliver shares of Common Stock in lieu of all or any portion of the Acquisition Termination Dividend Amount, the Acquisition Termination Redemption Date will be the third business day following the last trading day of the 20 consecutive trading day period used to determine the Acquisition Termination Market Value. Neither failure to mail or transmit any such notice of redemption of Depositary Shares to one or more such Holders nor any defect in any notice of redemption of Depositary Shares to one or more such Holders shall affect the sufficiency of the proceedings for redemption as to the other Holders. Each such notice shall be prepared by the Corporation and shall state:

- (i) the Acquisition Termination Make-whole Amount;
- (ii) if the Acquisition Termination Share Price exceeds the Initial Price, the number of shares of Common Stock and the amount of cash comprising the Reference Amount per share of Convertible Preferred Stock (before giving effect to any election to pay or deliver, with respect to each share of Convertible Preferred Stock, cash in lieu of a number of shares of Common Stock equal to the Acquisition Termination Conversion Rate or shares of Common Stock in lieu of cash in respect of the Acquisition Termination Dividend Amount);
- (iii) if applicable, whether the Corporation will deliver cash in lieu of all or any portion of the number of shares of Common Stock equal to the Acquisition Termination Conversion Rate comprising a portion of the Reference Amount (specifying, if applicable, the number of such shares of Common Stock in respect of which cash will be delivered);
- (iv) if applicable, whether the Corporation will deliver shares of Common Stock in lieu of all or any portion of the Acquisition Termination Dividend Amount comprising a portion of the Reference Amount (specifying, if applicable, the percentage of the Acquisition Termination Dividend Amount in respect of which shares of Common Stock will be delivered in lieu of cash); and
- (v) the Acquisition Termination Redemption Date.

On the Acquisition Termination Redemption Date, provided that the Corporation shall then have paid or caused to be paid in full to Computershare the redemption price per Depositary Share of one-tenth (1/10th) of the Acquisition Termination Make-whole Amount, in accordance with the provisions of the Statement, Computershare shall redeem the number of Depositary Shares representing such shares of the Convertible Preferred Stock.

If the Acquisition Termination Share Price exceeds the Initial Price, the Corporation may pay cash (computed to the nearest cent) in lieu of delivering all or any portion of the number of shares of Common Stock equal to the Acquisition Termination Conversion Rate. If the Corporation makes such an election, the Corporation will deliver cash (computed to the nearest cent) in an amount equal to such number of shares of Common Stock in respect of which the Corporation has made this election multiplied by the Acquisition Termination Market Value.

In addition, if the Acquisition Termination Share Price exceeds the Initial Price, the Corporation may deliver shares of Common Stock in lieu of cash for some or all of the Acquisition Termination Dividend Amount. If the Corporation makes such an election, the Corporation shall deliver a number of shares of Common Stock equal to such portion of the Acquisition Termination Dividend Amount to be paid in shares of Common Stock divided by the greater of the Floor Price and 97% of the Acquisition Termination Market Value; provided that, if the Acquisition Termination Dividend Amount or portion thereof in respect of which shares of Common Stock are delivered exceeds the product of such number of shares of Common Stock multiplied by 97% of the Acquisition Termination Market Value, the Corporation shall, if the Corporation is legally able to do so, declare and pay such excess amount in cash (computed to the nearest cent).

From and after the Acquisition Termination Redemption Date (unless the Corporation shall have failed to provide the funds or other consideration necessary to redeem shares of the Convertible Preferred Stock evidenced by the Depositary Shares called for redemption in accordance with the provisions of the Statement), notice having been mailed or transmitted by the Depositary, (i) all dividends on the shares of the Convertible Preferred Stock so called for Redemption shall cease to accrue from and after such date; (ii) the Depositary Shares being redeemed from such proceeds shall be deemed no longer to be outstanding; (iii) all rights of the Holders of Receipts evidencing such Depositary Shares (except the right to receive the redemption price) shall, to the extent of such Depositary Shares, cease and terminate; and (iv) upon surrender in accordance with such redemption notice of the Receipts evidencing any such Depositary Shares called for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by Computershare at a redemption price per Depositary Share equal to one-tenth (1/10th) of the Acquisition Termination Make-whole Amount. All cash payments to which a Holder is entitled in connection with the Acquisition Termination Redemption will be rounded to the nearest cent.

Other than as set forth in this Section 2.8, the Convertible Preferred Stock shall not be subject to redemption by the Corporation or at the option of any holder of Convertible Preferred Stock.

Section 2.9. Mandatory Conversion

The Depositary will take such action in connection with any mandatory conversion of the Convertible Preferred Stock as provided for in the Statement consistent with the terms thereof.

Section 2.10. Conversion at the Option of Holders

Subject to the terms and conditions of this Deposit Agreement, the Record Holder of any Receipt may, at any time that Convertible Preferred Stock may be converted pursuant to Section 8 or 9 of the Statement, by (x) in the case of a Physical Receipt, surrendering such Physical Receipt at the Depositary's Office or such other office as the Depositary may from time to time designate for such purpose together with a notice of conversion properly completed and duly executed and a proper assignment of such Receipt to the Corporation or the Transfer Agent or in blank to the Depositary or any of the Depositary's Agents, and (y) in the case of a DTC Receipt, complying with the procedures of DTC in effect at that time, in each case, thereby instructing the Depositary to cause the conversion of a specified number (the "Conversion Number") of whole shares of Convertible Preferred Stock represented by the Depositary Shares evidenced by such Receipt in accordance with the applicable provisions in the Statement (as confirmed in writing by the Corporation), and specifying the name in which such Record Holder desires the shares of Common Stock or exchange property, as provided in the Statement, issuable upon conversion (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, in accordance with the Statement) to be registered and specifying payment instructions. Depositary Shares may be converted at the option of the Record Holder of any Receipt only in lots of 10 Depositary Shares or integral multiples thereof. The Depositary shall be deemed to have no knowledge of the Conversion Number unless and until it shall have actually received written notice thereof from the Corporation, and shall have no duty or obligation to investigate or inquire as to whether any Conversion Number contained in any such written notice is accurate, or whether it complies with the Statement. If specified by the Record Holder in such notice of conversion that shares of Common Stock or other securities issuable upon conversion shall be issued to a Person other than the Record Holder surrendering the Receipt for the Depositary Shares being converted, then the Record Holder shall pay or cause to be paid any transfer or similar taxes payable in connection with the shares of Common Stock or other securities so issued that are not payable by the Corporation pursuant to the Statement. In addition, the Record Holder shall provide any other transfer forms, tax forms or other relevant documentation required and specified by the Transfer Agent for the Convertible Preferred Stock, if necessary, to effect the conversion.

Upon fulfillment of the requirements in the foregoing paragraph, the Depositary is hereby authorized and instructed to, and shall, as promptly as practicable, (a) give written notice to the Transfer Agent for the Convertible Preferred Stock of (i) the Conversion Number (as specified in writing by the Corporation), (ii) the number of shares of Common Stock or other exchange property, as provided in the Statement, to be delivered upon conversion of such Conversion Number of shares of Convertible Preferred Stock (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount

and any Accumulated Dividend Amount, in each case, in accordance with the Statement) (as specified in writing by the Corporation), (iii) the amount of immediately available funds (as specified in writing by the Corporation), if any, to be delivered to the Record Holder of such Receipts in payment of any fractional shares of Common Stock or other securities otherwise issuable and (iv) the amount of cash or other property (as specified in writing by the Corporation), if any, to be delivered to the Record Holder of such Receipts in respect of any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, payable by the Corporation upon conversion of such Conversion Number of shares of Convertible Preferred Stock pursuant to the Statement, (b) cancel such Receipt or, if a Registrar for Receipts (other than the Depositary) shall have been appointed, cause such Registrar to cancel such Receipt, and (c) surrender to the Transfer Agent for the Convertible Preferred Stock or any other authorized agent of the Corporation for conversion in accordance with the Statement (as specified in writing by the Corporation) certificates for the Convertible Preferred Stock represented by Depositary Shares as evidenced by such Receipt, together with delivery to the Corporation or the appropriate agent of the Corporation (pursuant to written instructions from the Corporation) any other information or payment required by the Statement (as specified in writing by the Corporation) for such conversion, and such certificates shall thereupon be canceled by the Transfer Agent or other authorized agent. The Depositary shall have no duty or obligation to investigate or inquire as to whether the Corporation provided it with the correct number of shares of Common Stock or other exchange property, as provided in the Statement, to be delivered upon any conversion of the Convertible Preferred Stock (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount), or the correct amount of funds, cash or other property to be delivered in payment of any fractional shares of Common Stock or other securities otherwise issuable or in respect of accrued and unpaid dividends payable by the Corporation upon any conversion of the Convertible Preferred Stock (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount), and the Depositary may rely conclusively on any such information provided by the Corporation.

As promptly as practicable after the Transfer Agent or other authorized agent of the Corporation has received such certificates from the Depositary, (a) the Corporation shall cause to be furnished to the Depositary (i) a certificate or certificates evidencing such number of shares of Common Stock or securities included in any exchange property, as provided in the Statement, to be delivered upon conversion of the Conversion Number of shares of Convertible Preferred Stock (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, in accordance with the Statement), (ii) such amount of immediately available funds, if any, to be delivered in respect of any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, payable by the Corporation upon conversion of such shares of Convertible Preferred Stock pursuant to the Statement, and (iii) such amount of immediately available funds, if any, to be delivered in lieu of receiving fractional shares and any other property included in any exchange property, as provided for in the Statement, as specified in a written notice from the Corporation and (b) the Depositary is hereby authorized and instructed to, and shall, deliver at the Depositary Office or at such other office as the Depositary shall determine, (i) a certificate or certificates evidencing the sum of (x) the number of shares of

Common Stock (including in respect of any Early Conversion Average Price amount, any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, in accordance with the Statement) into which the Convertible Preferred Stock represented by Depositary Shares as evidenced by such Receipt has been converted, (y) the amount of cash payable by the Corporation upon such conversion of such Convertible Preferred Stock in respect of any Fundamental Change Dividend Make-whole Amount and any Accumulated Dividend Amount, in each case, pursuant to the Statement and (z) the amount of cash payable by the Corporation upon such conversion of such Convertible Preferred Stock in lieu of delivering fractional shares of Common Stock, in each case, as specified in writing by the Corporation and which has been provided by the Corporation.

In the event that a Record Holder of a surrendered Receipt elects to convert less than all Depositary Shares evidenced by such Receipt under this Section 2.10, upon such conversion, the Depositary shall, if requested in writing and provided with all necessary information and documents, authenticate, countersign and deliver to such Record Holder thereof, at the expense of the Corporation, a new Receipt evidencing the Depositary Shares as to which such conversion was not effected.

Delivery of shares of Common Stock and other property following a conversion pursuant to this Section 2.10 may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. If such delivery is to be made otherwise than at the Depositary Office or at such other office or offices as the Depositary shall determine, such delivery shall be made, as hereinafter provided, without unreasonable delay, in the Depositary's sole discretion, at the risk of any Record Holder surrendering Receipts, and for the account of such Record Holder, to such place designated in writing by such Record Holder and agreed by the Depositary.

Section 2.11. Fractional Shares

No fractional shares of Common Stock or any other security will be issued to a Holder of the Depositary Shares upon conversion or as a result of any distribution pursuant to Section 2.8, Section 2.9, Section 2.10, or Section 4.2. If more than one share of Convertible Preferred Stock represented by Depositary Shares as evidenced by Receipts held by the same Holder shall be surrendered for conversion or entitled to a distribution pursuant to Section 4.2 at one time, the number of full shares of Common Stock or other security issuable upon conversion thereof or upon the relevant distribution, as applicable, shall be computed on the basis of the aggregate number of shares of Convertible Preferred Stock so surrendered or entitled to such distribution. Whenever a payment in lieu of fractional shares is to be made by the Depositary, the Corporation shall (i) promptly prepare and deliver to the Depositary a certificate setting forth in reasonable detail the facts related to such payments and the prices and/or formulas utilized in calculating such payments, and (ii) provide sufficient cash (computed to the nearest cent) to the Depositary in the form of fully collected funds to make such payments. The Depositary shall be fully protected in relying upon such a certificate and shall have no duty with respect to, and shall not be deemed to have knowledge of, any payment in lieu of fractional shares under any Section of this Deposit Agreement relating to the payment of fractional shares unless and until the Depositary shall have received such a certificate and sufficient cash. If the amount of cash

required to be distributed by the Depositary in lieu of fractional shares exceeds the amount of cash received by the Depositary in lieu of fractional shares pursuant to Section 12(b) of the Statement, then the Depositary, any of the Depositary's Agents or any other entity as so instructed in writing by the Corporation, on behalf of all Holders of Receipts entitled to fractional shares shall, as soon as practicable after the distribution date, sell the minimum number of such shares on the open market such that each such Record Holder will be entitled to receive, in lieu of a fractional share, an amount in cash, rounded to the nearest cent, equal to such Record Holder's proportionate interest in the net proceeds from such sale. The Depositary shall have no duty or obligation to investigate or inquire whether the amounts of funds paid by the Corporation to the Depositary for the benefit of any Holder in connection with such a conversion are correct.

Section 2.12. No Pre-Release

The Depositary shall not deliver any deposited Convertible Preferred Stock represented by Depositary Shares evidenced by Receipts prior to the receipt and cancellation of such Receipts or other similar method used with respect to Receipts held by DTC. The Depositary shall not issue any Receipts prior to the receipt by the Depositary of the Convertible Preferred Stock corresponding to Depositary Shares evidenced by such Receipts. At no time will any Receipts be outstanding if such Receipts do not evidence Depositary Shares representing Convertible Preferred Stock deposited with the Depositary, subject to the rights of holders to receive distributions upon conversion of the deposited Convertible Preferred Stock pursuant to Section 4.1 or Section 4.2.

**ARTICLE III
CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE CORPORATION**

Section 3.1. Filing Proofs, Certificates and Other Information

Any Holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Corporation may reasonably deem necessary or proper. The Depositary or the Corporation may withhold the delivery, or delay the registration of transfer or redemption, of any Receipt or the withdrawal of shares of the Convertible Preferred Stock represented by the Depositary Shares and evidenced by a Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

Section 3.2. Payment of Taxes or Other Governmental Charges

Holders of Receipts shall be obligated to make payments to the Depositary of certain charges and expenses as provided in Section 5.8. Registration of transfer of any Receipt or any withdrawal of shares of the Convertible Preferred Stock and all money or other property, if any, represented by the Depositary Shares evidenced by such Receipt may be refused until any

such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all shares of the Convertible Preferred Stock or other property represented by the Depositary Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the Holder thereof (after attempting by reasonable means to notify such Holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the Holder of such Receipt remaining liable for any deficiency.

Section 3.3. Warranty as to the Convertible Preferred Stock

The Corporation hereby represents and warrants that shares of the Convertible Preferred Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of shares of the Convertible Preferred Stock and the issuance of the related Receipts.

Section 3.4. Warranty as to Receipts

The Corporation hereby represents and warrants that the Receipts, when issued, will represent legal and valid interests in shares of the Convertible Preferred Stock. Such representation and warranty shall survive the deposit of shares of the Convertible Preferred Stock and the issuance of the Receipts.

**ARTICLE IV
THE DEPOSITED SECURITIES; NOTICES**

Section 4.1. Cash Distributions

Whenever Computershare shall receive (i) any cash dividend or other cash distribution on the Convertible Preferred Stock, Computershare shall, subject to Section 3.1 and Section 3.2 and, if received, in accordance with written instructions from the Corporation, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such Holders; *provided, however*, that in case the Corporation or Computershare shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Convertible Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of Depositary Shares shall be reduced accordingly, and such withheld cash shall be treated for all purposes of this Agreement as having been paid to the Record Holder of Receipts in respect of which the Corporation or the Depositary, as the case may be, made such withholding. Computershare shall distribute or make available for distribution, as the case may be and, if received, in accordance with the Corporation's written instructions, only such amount, however, as can be distributed without attributing to any Holder of Receipts a fraction of one cent, and any balance not so distributable shall be held by Computershare (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by Computershare for distribution to Record Holders of Receipts then outstanding. Each Holder of a Receipt shall provide Computershare with its certified tax identification number on a properly

completed Form W-8 or W-9, as may be applicable. Each Holder of a Receipt acknowledges that, in the event of non-compliance with the preceding sentence, the Internal Revenue Code of 1986, as amended, may require withholding by Computershare of a portion of any of the distributions to be made to such Holder hereunder.

All funds received by Computershare under this Agreement that are to be distributed or applied by Computershare in the performance of services (the "Funds") shall be held by Computershare as agent for the Corporation and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Corporation. Until paid pursuant to this Agreement, Computershare may hold or invest the Funds in demand deposit accounts of commercial banks with Tier 1 capital exceeding \$1 billion. The Company shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this paragraph, except for any losses resulting from a default by any bank or financial institution holding the Funds as set forth in this paragraph. Computershare may from time to time receive interest in connection with such deposits. Computershare shall not be obligated to pay such interest to the Corporation, any holder or any other party.

Section 4.2. Distributions Other than Cash, Rights, Preferences or Privileges

Whenever Computershare shall receive any distribution other than cash, rights, preferences or privileges upon the Convertible Preferred Stock, Computershare shall, subject to Section 3.1 and Section 3.2, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by such Receipts held by such Holders, in any manner that Computershare may deem equitable and practicable for accomplishing such distribution, including, without limitation, through book-entry transfer through DTC in the case of DTC Receipts; provided that, in case the Depositary shall be required to withhold from any distribution in respect of the Convertible Preferred Stock an amount on account of taxes, the amount of property or securities made available for distribution or distributed in respect of Depositary Shares shall be reduced as necessary to permit any withholding, and such withheld property may be disposed of by the Depositary, without any further consent or direction from the Corporation, in such manner as the Depositary reasonably deems necessary and practicable to pay such taxes and shall be treated for all purposes of this Agreement as having been paid to the Record Holder of the Receipt in respect of which the Depositary, as the case may be, made such withholding. The distribution described in the immediately preceding sentence shall apply to any distribution by the Depositary of Common Stock deliverable to the Record Holders, as a result of the conversion of the Convertible Preferred Stock into Common Stock in accordance with the terms of the Statement; provided that in such case the distribution of Common Stock shall be made to Record Holders as of the close of business on the relevant Conversion Date. If in the opinion of Computershare such distribution cannot be made proportionately among such Record Holders, or if for any other reason (including any requirement that the Corporation or Computershare withhold an amount on account of taxes or governmental charges or in connection with a distribution of fractional shares or other property units) Computershare deems, after consultation with the Corporation, such distribution not to be feasible, Computershare may, with the approval of the Corporation, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution,

including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Section 3.1 and Section 3.2, be distributed or made available for distribution, as the case may be, by Computershare to Record Holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to Computershare and Computershare shall not make any distribution of such securities or property to the Holders of Receipts unless the Corporation shall have provided an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

The Person or Persons entitled to receive any Common Stock issuable upon any conversion shall be treated for all purposes as the Record Holder(s) of such shares of Common Stock as of the close of business on the applicable Conversion Date.

Section 4.3. Subscription Rights, Preferences or Privileges

If the Corporation shall at any time offer or cause to be offered to the Persons in whose names shares of the Convertible Preferred Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be communicated to the Depositary and made available by the Depositary to the Record Holders of Receipts in such manner as the Corporation shall direct and the Depositary shall agree, either by the issue to such Record Holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation in its discretion with the acknowledgement of the Depositary; *provided, however*, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Corporation determines that it is not lawful or (after consultation with the Depositary) not feasible to make such rights, preferences or privileges available to Holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by Holders of Receipts who do not desire to exercise such rights, preferences or privileges, then the Corporation, in its discretion (with acknowledgement of the Depositary, in any case where the Corporation has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall be delivered to the Depositary and, if received, in accordance with the written instructions of the Corporation and, subject to Section 3.1 and Section 3.2, be distributed by the Depositary to the Record Holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

The Corporation shall notify the Depositary whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for Holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depositary that it will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its commercially reasonable best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to

exercise such rights, preferences or privileges. In no event shall the Depositary make available to the Holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until such registration statement shall have become effective, or the Corporation shall have provided to the Depositary an opinion of counsel to the effect that the offering and sale of such securities to the Holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depositary whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to Holders of Receipts, and the Corporation agrees with the Depositary that the Corporation will use its commercially reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges.

Section 4.4. Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to the Convertible Preferred Stock, or whenever the Depositary shall receive notice of any meeting at which holders of the Convertible Preferred Stock are entitled to vote or of which holders of the Convertible Preferred Stock are entitled to notice, or whenever the Depositary and the Corporation shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to or otherwise in accordance with the terms of the Convertible Preferred Stock) for the determination of the Holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

Section 4.5. Voting Rights

Subject to the provisions of the Statement, upon receipt of notice from the Corporation of any meeting at which the holders of the Convertible Preferred Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail or transmit by such other method approved by the Depositary, in its reasonable discretion, to the Record Holders of Receipts, as determined on the record date set forth in Section 4.4, a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting, (ii) a statement that the Holders of Receipts at the close of business on a specified record date fixed pursuant to Section 4.4 may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the shares of the Convertible Preferred Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a Person designated by the Corporation), and (iii) a brief statement as to the manner in which such instructions may be given. Upon the written request of the Holders of Receipts on the relevant record date, the Depositary shall endeavor insofar as practicable to vote or cause to be voted, in accordance with

the instructions set forth in such requests, the maximum number of whole shares of the Convertible Preferred Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. To the extent any such instructions request the voting of a fractional interest of a share of deposited Convertible Preferred Stock, the Depositary shall aggregate such interest with all other fractional interests resulting from requests with the same voting instructions and shall vote the number of whole votes resulting from such aggregation in accordance with the instructions received in such requests. The Corporation hereby agrees to take all reasonable action the Depositary deems necessary in order to enable the Depositary to vote such shares of the Convertible Preferred Stock or cause such shares to be voted. In the absence of specific instructions from Holders of Receipts, the Depositary will not vote (but, at its discretion, may appear at any meeting with respect to the Convertible Preferred Stock unless directed to the contrary by the Holders of all the Receipts) to the extent of the shares of the Convertible Preferred Stock represented by the Depositary Shares evidenced by such Receipts.

Section 4.6. Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc.

Upon any change in liquidation preference, par or stated value, split-up, combination or any other reclassification of the Convertible Preferred Stock, subject to the provisions of the Statement, or upon any recapitalization, reorganization, merger or consolidation affecting the Corporation or to which it is a party, the Depositary shall, upon the written instructions of the Corporation setting forth any adjustment, (i) make such adjustments as are certified by the Corporation in (a) the fraction of an interest represented by one Depositary Share in one share of the Convertible Preferred Stock and (b) the ratio of the redemption price or conversion rate, as applicable, per Depositary Share to the redemption price or conversion rate, as applicable, per share of the Convertible Preferred Stock, in each case as stated in such instructions or as is consistent with the provisions of the Statement to fully reflect the effects of such change in liquidation preference, par or stated value, split-up, combination or other reclassification of Convertible Preferred Stock or any such recapitalization, reorganization, merger or consolidation and (ii) subject to the last sentence of this Section 4.6, treat any securities or property (including cash) which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Convertible Preferred Stock as new deposited property so received in exchange for or upon conversion or in respect of such Convertible Preferred Stock. In any such case, the Depositary shall, upon receipt of written instructions of the Corporation, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited property. Anything to the contrary herein notwithstanding, Holders of Receipts shall have the right from and after the effective date of any such change in par or stated value, split-up, combination or other reclassification of the Convertible Preferred Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the shares of the Convertible Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares and other securities and property and cash into which the shares of the Convertible Preferred Stock represented by such Receipts might have been converted or for which such shares might have been exchanged or surrendered immediately prior to the effective date of such transaction. Notwithstanding the foregoing, the Common Stock issuable upon conversion of the Convertible Preferred Stock pursuant to Section 7,8 or 9 of the Statement (or their successors) shall not be treated as new deposited property under this Deposit Agreement and instead the provisions in Section 2.10 and Section 4.2 shall apply.

Section 4.7. Delivery of Reports

The Depositary shall make available for inspection by Holders of Receipts at the Depositary's Office and at such other places as it may from time to time deem advisable during normal business hours any reports and communications received from the Corporation that are both received by the Depositary as the holder of the Deposited Shares and which the Corporation is required to furnish to the holders of the Convertible Preferred Stock. In addition, the Depositary shall transmit, upon written request by the Corporation, certain notices and reports to the Holders of Receipts as provided in Section 5.6.

Section 4.8. Lists of Receipt Holders

Promptly upon request from time to time by the Corporation, the Registrar shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all registered Holders of Receipts.

Section 4.9. Certain Limitations on Liability

The Corporation, Depositary, Underwriters, Transfer Agent, Registrar, conversion agent, dividend disbursing agent and redemption agent shall not have any responsibility or liability for the payment of amounts to beneficial owners of interests in Depositary Shares, for any aspect of the records relating to or payments made on account of such beneficial interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such beneficial interests.

Section 4.10. Withholding

Notwithstanding any other provision of this Deposit Agreement, in the event that Computershare determines that any distribution in property is subject to any tax or other charge that Computershare is obligated by law to withhold, Computershare may dispose of, by public or private sale, all or a portion of such property in such amounts and in such manner as Computershare deems necessary and practicable to pay such taxes or charges, and Computershare shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes or charges to the Holders of Receipts entitled thereto in proportion to the number of Depositary Shares held by them, respectively; provided, however, that in the event Computershare determines that such distribution of property is subject to withholding tax only with respect to some but not all Holders of Receipts, Computershare will use its best efforts (i) to sell only that portion of such property distributable to such holders that is required to generate sufficient proceeds to pay such withholding tax and (ii) to effect any such sale in such a manner so as to avoid affecting the rights of any other Holders of Receipts to receive such distribution in property.

ARTICLE V
THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE CORPORATION

Section 5.1. Appointment of the Depositary

The Corporation hereby appoints Trust Company to act as Depositary in accordance with the terms and conditions hereof, and Trust Company accepts this appointment. The Corporation acknowledges and agrees that Computershare shall act as service provider to Trust Company and as processor of all payments received from or made by or on behalf of the Corporation under this Deposit Agreement. Depositary is engaged in an independent business and will perform its obligations under this Deposit Agreement as an agent of the Corporation.

Section 5.2. Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar

Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, split-up and combination of Receipts and deposit and withdrawal of Convertible Preferred Stock and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, split-up and combination of Receipts and deposit and withdrawal of Convertible Preferred Stock, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts. Upon direction by the Corporation and with reasonable notice to the Depositary, the Registrar shall open its books for inspection by the Record Holders of Receipts as directed by the Corporation; *provided* that any record Holder shall be granted such right by the Corporation only after certifying that such inspection shall be for a proper purpose reasonably related to such Person's interest as an owner of Depositary Shares evidenced by the Receipts.

The Depositary or Registrar may close such books, at any time or from time to time, when deemed necessary or advisable by the Depositary, the Registrar, any Depositary's Agent or the Corporation because of any requirement of law or of any government, governmental body or commission, stock exchange or any applicable self-regulatory body.

If the Receipts or the Depositary Shares evidenced thereby or the shares of the Convertible Preferred Stock represented by such Depositary Shares shall be listed on the NYSE or one or more national securities exchanges, the Depositary may, with the written approval of the Corporation, appoint a Registrar (acceptable to the Corporation) for registration of the Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depositary upon the written request or with the written approval of the Corporation. If the Receipts, such Depositary Shares or the Convertible Preferred Stock are listed on the NYSE or one or more other securities exchanges, the Depositary will, at the written request and expense of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or the Convertible Preferred Stock as may be required by law or applicable securities exchange regulation.

Section 5.3. Prevention of or Delay in Performance by the Depository, the Depository's Agents, the Registrar or the Corporation

Neither the Depository nor any Depository's Agent nor any Registrar nor the Corporation, as the case may be, shall incur any liability to any Holder of Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depository, the Depository's Agent or the Registrar, as the case may be, by reason of any provision, present or future, of the Corporation's Articles of Incorporation (including the Statement) or by reason of any act of God or war or other circumstance beyond the control of the relevant party, the Depository, the Depository's Agent, the Registrar or the Corporation, as the case may be, shall be prevented or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depository, any Depository's Agent, any Registrar or the Corporation, as the case may be, incur liability to any Holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except as otherwise explicitly set forth in this Deposit Agreement.

Section 5.4. Obligations of the Depository, the Depository's Agents, the Registrar, Transfer Agent and the Corporation

Neither the Depository nor any Depository's Agent nor any Registrar, any Transfer Agent nor the Corporation, as the case may be, assumes any obligation or shall be subject to any liability under this Deposit Agreement to Holders of Receipts or to any other Person other than for its gross negligence, willful misconduct, bad faith or fraud (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction, an arbitral award or an agreement with the Corporation). Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depository, nor the Depository's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including but not limited to lost profits), even if they have been advised of the likelihood of such loss or damage and regardless of the form of action. Any liability of Depository, any Depository's Agent or the Registrar or Transfer Agent, as the case may be, under this Deposit Agreement will be limited in the aggregate to an amount equal to the annual fees paid by the Corporation to such Person, but not including reimbursable expenses; provided, however, that in the event that such liability arises as a result of misappropriation of funds by the Depository, any of the Depository's Agents (except for such Depository's Agents which are not employees of the Depository), any Registrar or any Transfer Agent, as the case may be, through fraud or willful misconduct on the part of such Person (as determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction, an arbitral award or an agreement with the Corporation), such limit shall not apply and such liability hereunder shall be instead limited to the amount of such misappropriated funds or the liability resulting from such fraud or willful misconduct.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Convertible Preferred Stock, the Depositary Shares or the Receipts which in its opinion may involve it in expense or liability unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any Person presenting the shares of the Convertible Preferred Stock for deposit, any Holder of a Receipt or any other Person believed by it to be competent to give such information. The Depositary, any Depositary's Agent, any Registrar, any Transfer Agent and the Corporation, as the case may be, may each rely and shall each be protected in acting upon or omitting to act upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, shall not be responsible for any failure to carry out any instruction to vote any of the shares of the Convertible Preferred Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith, fraud, willful misconduct or gross negligence (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction, an arbitral award or an agreement with the Corporation). The Depositary undertakes, and any Depositary's Agent, Registrar and any Transfer Agent, as the case may be, shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary, any Depositary's Agent, Registrar or any Transfer Agent.

The Depositary, its parent, Affiliate, or subsidiaries, any Depositary's Agents, and any Transfer Agent and any Registrar, as the case may be, may own and deal in any class of securities of the Corporation and its Affiliates and in Receipts or Depositary Shares or become pecuniarily interested in any transaction in which the Corporation or its Affiliates may be interested or contract with or lend money to or otherwise act as fully or as freely as if it were not the Depositary, the parent, Affiliate or subsidiary of the Depositary or the Depositary's Agent or Transfer Agent or Registrar hereunder. The Depositary may also act as transfer agent, trustee or registrar of any of the securities of the Corporation and its Affiliates or act in any other capacity for the Corporation or its Affiliates.

The Depositary shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the Depositary Shares or the Convertible Preferred Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depositary shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

In the event the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depositary, the Depositary's Agents, any Transfer Agent or Registrar hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar may, in its sole discretion upon providing written notice to the Corporation, refrain from taking any action and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall be fully protected and shall not be liable in any way to the Corporation, any Holders of Receipts or any other Person or entity for refraining from taking such action, unless the Depositary, the Depositary's Agents, any Transfer Agent or Registrar receives written instructions or a certificate of the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar or which proves or establishes the applicable matter to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall incur no liability for or in respect of any action taken, suffered or omitted by it under the provisions of this Deposit Agreement in reliance upon such written instructions.

In the event the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall receive conflicting claims, requests or instructions from any Holders of Receipts, on the one hand, and the Corporation, on the other hand, the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall be entitled to act on such claims, requests or instructions received from the Corporation, and shall incur no liability and shall be entitled to the full indemnification set forth in Section 5.7 hereof in connection with any action so taken.

It is intended that the Depositary shall not be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary is acting only in a ministerial capacity as Depositary for the deposited Convertible Preferred Stock. The Depositary will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Receipts, the shares of Convertible Preferred Stock or Depositary Shares.

Neither the Depositary (or its officers, directors, employees or agents), any Depositary's Agent nor any Registrar or any Transfer Agent makes any representation or has any responsibility as to the validity of any registration statement pursuant to which the Depositary Shares may be registered under the Securities Act, the deposited shares of Convertible Preferred Stock, the Depositary Shares, the Receipts (except its countersignature thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made in any such registration statement or herein.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts; *provided, however* that the Depositary is responsible for its representations in this Deposit Agreement. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of any shares of Convertible Preferred Stock at any time deposited with the Depositary hereunder or of the Depositary Shares, as to the validity or sufficiency of this Deposit Agreement, as to the value of the Depositary Shares or as to any right, title or interest of the record holders of Receipts in and to the Depositary Shares. The Depositary shall not be accountable for the use or application by the Corporation of the Depositary Shares or the Receipts or the proceeds thereof.

The Depositary, Depositary's Agent, any Registrar, and any Transfer Agent hereunder:

(i) shall have no duties or obligations other than those specifically set forth herein (and no implied duties or obligations), or as may subsequently be agreed to in writing by the parties;

(ii) shall have no obligation to make payment hereunder unless the Corporation shall have provided the necessary federal or other immediately available funds or securities or property, as the case may be, to pay in full amounts due and payable with respect thereto;

(iii) shall not be obligated to prosecute or defend any litigation or other proceeding hereunder; if, however, the Depositary determines to prosecute or defend any litigation or other proceeding hereunder, and, where the taking of such action might in the Depositary's judgment subject or expose it to any expense or liability, the Depositary shall not be required to act unless it shall have been furnished with an indemnity satisfactory to it;

(iv) may rely on and shall be authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, telegram, telex, facsimile transmission, electronic communication or other document or security delivered to the Depositary and believed by the Depositary to be genuine and to have been signed by the proper party or parties;

(v) may rely on and shall be authorized and protected in acting or failing to act upon the written, telephonic, electronic and oral instructions, with respect to any matter relating to the Depositary's actions as Depositary covered by this Deposit Agreement (or supplementing or qualifying any such actions) of officers of the Corporation;

(vi) may consult counsel satisfactory to it, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Depositary hereunder in accordance with the advice of such counsel;

(vii) except as specifically set forth herein, shall not be called upon at any time to advise any Person with respect to the shares of the Convertible Preferred Stock or Receipts;

(viii) shall not be liable in any respect on account of the identity, authority or rights of the parties (other than with respect to the Depository) executing or delivering or purporting to execute or deliver this Deposit Agreement or any documents or papers deposited or called for under this Deposit Agreement; and

(ix) shall not be liable for any delays or failures in performance resulting from conditions beyond their reasonable control, including, but not limited to, (i) work stoppages or labor disputes, electrical or mechanical failure or computer hardware or software failure, in each case other than of the Depository, the Depository's Agent, the Registrar or the Transfer Agent, as the case may be, or (ii) acts of government, exchange or market ruling, suspension of trading, civil disobedience, riots, rebellions, communications facilities failures including telephone failure, war, terrorism, insurrection, fires, earthquakes, storms, floods, acts of God or similar occurrences.

The obligations of the Corporation set forth in this Section 5.4 shall survive the replacement, removal or resignation of the Depository, Registrar, Transfer Agent or Depository's Agent or termination of this Deposit Agreement.

Section 5.5. Resignation and Removal of the Depository; Appointment of Successor Depository

The Depository may at any time resign as Depository hereunder by delivering notice of its election to do so to the Corporation, such resignation to take effect upon the earlier of (1) sixty (60) days and (2) the appointment of a successor Depository and its acceptance of such appointment as hereinafter provided.

The Depository may at any time be removed by the Corporation by notice of such removal delivered to the Depository, such removal to take effect upon the appointment of a successor Depository hereunder and its acceptance of such appointment as hereinafter provided.

In case at any time the Depository acting hereunder shall resign or be removed, the Corporation shall, within sixty (60) days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depository, which shall be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus, along with its Affiliates, of at least \$50,000,000. In the event of such removal or resignation, the Corporation will appoint a successor depository and inform the Depository of the name and address of any successor depository so appointed, provided that no failure by the Corporation to appoint such a successor depository shall affect the termination of this Deposit Agreement or the discharge of the Corporation and the Depository as depository hereunder. Upon payment of all outstanding fees and expenses hereunder, the Depository shall promptly forward to the successor depository or its designee any shares of stock held by it and any certificates, letters, notices and other document that the Depository may receive after its appointment has so terminated.

If no successor Depository shall have been so appointed and have accepted appointment within sixty (60) days after delivery of such notice, the resigning or removed Depository may petition any court of competent jurisdiction for the appointment of a successor

Depository. Every successor Depository shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depository, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depository under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the shares of the Convertible Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the Record Holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depository shall promptly mail or transmit by such other method approved by such successor Depository, in its reasonable discretion, notice of its appointment to the Record Holders of Receipts.

Any Person into or with which the Depository may be merged, consolidated or converted, or any Person to which all or a substantial part of the assets of the Depository may be transferred or which succeeds to the shareholder services business of the Depository shall be the successor of the Depository without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depository may authenticate the Receipts in the name of the predecessor Depository or its own name as successor Depository.

The removal or resignation of the Depository shall automatically be deemed to be a removal of the Depository as Registrar and Transfer Agent herein without any further act or deed.

Section 5.6. Corporate Notices and Reports

The Corporation agrees that it will deliver to the Depository, and the Depository will, promptly after receipt thereof, transmit to the Record Holders of Receipts, in each case at the addresses recorded in the Depository's or Registrar's books, copies of all notices and reports (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Convertible Preferred Stock, the Depository Shares or the Receipts are listed or by the Articles of Incorporation (including the Statement), to be furnished to the Record Holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depository with such number of copies of such documents as the Depository may reasonably request. In addition, the Depository will transmit to the Record Holders of Receipts at the Corporation's expense such other documents as may be requested in writing by the Corporation.

Section 5.7. Indemnification by the Corporation

Notwithstanding Section 5.4 to the contrary, the Corporation shall indemnify the Depository, any Depository's Agent, any Registrar and any Transfer Agent (including each of their officers, directors, agents and employees) against, and hold each of them harmless from and against, any fee, loss, damage, cost, penalty, liability or expense (including the reasonable costs and expenses of defending itself) which may arise out of acts performed, taken or omitted to be taken in connection with its acting as Depository, Depository's Agent, Registrar or Transfer

Agent, respectively, under this Deposit Agreement (including, without limitation, the enforcement by the Depository, Depository's Agent, Registrar or Transfer Agent, as the case may be, of this Deposit Agreement) and the Receipts by the Depository, any Registrar or any of their respective agents (including any Depository's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of negligence, willful misconduct, bad faith or fraud (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction, an arbitral award or an agreement with the Corporation) on the respective parts of any such Person or Persons. The obligations of the Corporation set forth in this Section 5.7 shall survive any succession of any Depository, Registrar, Transfer Agent or Depository's Agent or termination of this Deposit Agreement.

Section 5.8. Fees, Charges and Expenses

The Corporation agrees promptly to pay the Depository the compensation to be agreed upon with the Corporation for all services rendered by the Depository, Depository's Agent, Transfer Agent and Registrar hereunder and to reimburse the Depository for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depository, Depository's Agent, Transfer Agent and Registrar without gross negligence, willful misconduct, bad faith or fraud on its part (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction, an arbitral award or an agreement with the Corporation) in connection with the services rendered by it (or any agent of the Depository) hereunder. The Corporation shall pay all charges of the Depository in connection with the initial deposit of shares of the Convertible Preferred Stock and the initial issuance of the Depository Shares, all withdrawals of shares of the Convertible Preferred Stock by owners of Depository Shares, and any redemption or exchange of shares of the Convertible Preferred Stock at the option of the Corporation. The Corporation shall pay all transfer and other taxes and charges arising solely from the existence of this Deposit Agreement. All other transfer and other taxes and charges shall be at the expense of Holders of Depository Shares evidenced by Receipts. If, at the request of a Holder of Receipts, the Depository incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such Holder will be liable for such charges and expenses; *provided, however*, that the Depository may, at its sole option, require a Holder of a Receipt to prepay the Depository any charge or expense the Depository has been asked to incur at the request of such Holder of Receipts. The Depository shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depository may agree.

ARTICLE VI AMENDMENT AND TERMINATION

Section 6.1. Amendment

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depository in any respect which they may deem necessary or desirable; *provided, however*, that no such amendment (other than any change in the fees of any Depository, Registrar or Transfer Agent) which shall materially and adversely alter the rights of the Holders of Receipts shall be effective against the Holders of Receipts unless such amendment shall have been approved by

the Holders of Receipts representing in the aggregate at least a majority of the Depositary Shares then outstanding. Every Holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Section 2.5 and Section 2.6 and Article III, of any owner of Depositary Shares to surrender any Receipt evidencing such Depositary Shares to the Depositary with instructions to deliver to the Holder the shares of the Convertible Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable securities exchange. As a condition precedent to the Depositary's execution of any amendment, the Corporation shall deliver to the Depositary a certificate that states that the proposed amendment is in compliance with the terms of this Section 6.1.

Section 6.2. Termination

This Deposit Agreement may be terminated by the Corporation at any time upon not less than sixty (60) days prior written notice to the Depositary, in which case, at least thirty (30) days prior to the date fixed in such notice for such termination, the Depositary will mail notice of such termination to the record Holders of all Receipts then outstanding. If any Receipts shall remain outstanding after the date of termination of this Deposit Agreement, the Depositary thereafter shall discontinue the transfer of Receipts, shall suspend the distribution of dividends to the Holders of the Receipts thereof and shall not give any further notices (other than notice of such termination) or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to the Convertible Preferred Stock, and shall continue to deliver the Stock and any money and other property, if any, represented by Receipts upon surrender thereof by the Holders of Receipts thereof. At any time after the expiration of two years from the date of termination, as may be instructed by the Corporation in writing, the Depositary shall (i) sell the shares of the Convertible Preferred Stock then held hereunder at public or private sale, at such places and upon such terms as it deems proper and may thereafter hold the net proceeds of any such sale, together with any money and other property held by it hereunder, without liability for interest, for the benefit, pro rata in accordance with their holdings, of the Holders of Receipts that have not theretofore been surrendered, or (ii) return such shares of Convertible Preferred Stock to the Corporation. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement except to account for such net proceeds and money and other property. The Depositary shall continue to receive its fees and expenses after termination of this Deposit Agreement so long as the Depositary continues to provide services in connection with this Deposit Agreement.

Subject to the first paragraph of this Section 6.2, this Deposit Agreement may be terminated by the Corporation or the Depositary only if (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8; (ii) each share of Convertible Preferred Stock has been converted into common stock or has been exchanged for common stock; (iii) there shall have been made a final distribution in respect of the Convertible Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the Holders of Receipts representing Depositary Shares pursuant to Section 4.1 or Section 4.2, as applicable; or (iv) upon the consent of Holders of Receipts representing in the aggregate not less than two-thirds of the Depositary Shares outstanding.

Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depository, any Depository's Agent and any Registrar under Section 5.7 and Section 5.8; *provided further* that Section 5.4 and Section 5.7 shall survive the termination of this Deposit Agreement.

ARTICLE VII MISCELLANEOUS

Section 7.1. Counterparts

This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. A signature to this Deposit Agreement executed and/or transmitted electronically shall have the same authority, effect, and enforceability as a manually executed counterpart of this Deposit Agreement.

Section 7.2. Exclusive Benefit of Parties

This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other Person whatsoever.

Section 7.3. Invalidity of Provisions

In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Section 7.4. Notices

Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or if sent by facsimile, provided that the facsimile is promptly confirmed by telephone confirmation thereof or, in the case of electronic mail, by electronic return receipt providing proof of delivery, addressed to the Corporation at:

Alcoa Inc.
201 Isabella Street, 6th Floor
Pittsburgh, Pennsylvania 15212
Facsimile: (412) 553-4064
Email: max.laun@alcoa.com
Attention: General Counsel

and

Alcoa Inc.
390 Park Avenue
New York, New York 10022
Facsimile: (212) 836-2807
Email: peter.hong@alcoa.com
Attention: Treasurer

or at any other addresses of which the Corporation shall have notified the Depository in writing.

Any and all notices to be given to the Depository hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or if sent by facsimile, provided that the facsimile is promptly confirmed by telephone confirmation thereof or, in the case of electronic mail, by electronic return receipt providing proof of delivery, addressed to the Depository at the Depository's Office at:

Computershare Trust Company, N.A.
250 Royall Street
Canton, Massachusetts 02021
Attention: Corporate Actions

or at any other address of which the Depository shall have notified the Corporation in writing.

Any and all notices to be given to any Record Holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, recognized next day courier services, facsimile transmission or electronic mail, confirmed by letter, addressed to such Record Holder at the address of such Record Holder as it appears on the books of the Depository, or if such Holder shall have timely filed with the Depository a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request. Notwithstanding the foregoing, if Depository Shares are issued in book-entry form through DTC or any similar facility, such notices may be given to Record Holders in any manner permitted by DTC or such facility, as the case may be.

Delivery of a notice sent by mail or as provided in the previous paragraph shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission or electronic mail) is deposited, postage prepaid, in a post office letter box; *provided*, that the Depository or the Corporation may, however, act upon any facsimile transmission or electronic mail received by it from the other or from any Holder of a Receipt, notwithstanding that such facsimile transmission or electronic mail shall not subsequently be confirmed by letter or as aforesaid.

Section 7.5. Depository's Agents

The Depository may from time to time appoint Depository's Agents to act in any respect for the Depository for the purposes of this Deposit Agreement and may at any time appoint additional Depository's Agents and vary or terminate the appointment of such Depository's Agents. The Depository will promptly notify the Corporation of any such action.

Section 7.6. Appointment of Registrar, Transfer Agent, Conversion Agent, Dividend Disbursing Agent and Redemption Agent in Respect of the Convertible Preferred Stock

The Corporation hereby appoints Trust Company as Registrar and Transfer Agent, and Computershare as conversion agent, dividend disbursing agent and redemption agent in respect of the shares of the Convertible Preferred Stock deposited with the Depository hereunder, and Trust Company and Computershare hereby accept such appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, will reflect changes in the number of shares (including any fractional shares) of deposited Convertible Preferred Stock held by Trust Company or Computershare by notation, book-entry or other appropriate method. With respect to the appointment of Trust Company as Registrar and Transfer Agent and Computershare as conversion agent, dividend disbursing agent and redemption agent in respect of the shares of the Convertible Preferred Stock, Trust Company and Computershare, respectively, in its respective capacities under such appointments, shall be entitled to the same rights, indemnities, immunities and benefits as the Depository hereunder as if explicitly named in each such provision.

Section 7.7. Holders of Receipts are Parties

The Holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

Section 7.8. Governing Law

This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania without giving effect to applicable conflicts of law principles, except that the rights, duties, and obligations of the Depository under this Deposit Agreement shall be governed by and construed in accordance with the laws of the state of Delaware.

Section 7.9. Inspection of Deposit Agreement and Statement

Copies of this Deposit Agreement and the Statement shall be filed with the Depository and the Depository's Agents and shall be made available for inspection during business hours upon reasonable notice at the Depository's Office and the respective offices of the Depository's Agents, if any, by any Holder of a Receipt.

Section 7.10. Headings

The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

Section 7.11. Confidentiality

The Depository and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, *inter alia*, personal, non-public Holder information and fees for services, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement, shall remain confidential, and shall not be voluntarily disclosed to any other Person, except as may be required by law or legal process.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the Corporation and the Depositary have duly executed this Deposit Agreement as of the day and year first above set forth, and all Holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

ALCOA INC.

By: /s/ Peter Hong
Name: Peter Hong
Title: Vice President and Treasurer

**COMPUTERSHARE TRUST COMPANY,
N.A. and COMPUTERSHARE INC. (on behalf
of both entities)**

By: /s/ Dennis V. Moccia
Name: Dennis V. Moccia
Title: Manager, Contract Administration

EXHIBIT A:

FORM OF RECEIPT

[FORM OF FACE OF RECEIPT]

[IF A DTC RECEIPT IS ISSUED: UNLESS THIS RECEIPT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO ALCOA INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE& CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE& CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE& CO., HAS AN INTEREST HEREIN.]

TRANSFERS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS DTC RECEIPT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE STATEMENT WITH RESPECT TO SHARES REFERRED TO BELOW.]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS OF SAID AGREEMENT. ANY SALE OR OTHER TRANSFER NOT IN COMPLIANCE WITH SAID AGREEMENT WILL BE VOID.

ALCOA INC.
DEPOSITARY RECEIPT FOR DEPOSITARY SHARES,
EACH REPRESENTING ONE-TENTH OF ONE SHARE OF
5.375% CLASS B MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1
(\$1.00 par value)
(liquidation preference \$500 per share)

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA
CUSIP

(SEE REVERSE FOR CERTAIN DEFINITIONS)

Computershare Trust Company, N.A., as Depository (the "Depository"), hereby certifies that _____² is the registered owner of [_____ (_____)]³ [the number shown on Schedule I hereto of]⁴ DEPOSITARY SHARES ("Depository Shares"), each Depository Share representing 1/10th of one share of 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share, liquidation preference \$500 per share (the "Preferred Stock"), of Alcoa Inc., a Pennsylvania corporation (the "Corporation"), on deposit with the Depository, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of September 22, 2014 (the "Deposit Agreement"), among the Corporation, the Depository and the holders from time to time of the Depository Receipts. The powers, designations, preferences and rights of the Preferred Stock are set forth in a Statement with Respect to Shares for the Corporation's Articles of Incorporation filed with the Secretary of State of the Commonwealth of Pennsylvania. The aggregate number of Depository Shares evidenced by Receipts that may be executed and delivered under the Deposit Agreement is initially limited to 25,000,000 (as increased from time to time by an amount equal to the aggregate number of any additional Depository Shares purchased by the Underwriters pursuant to the exercise of their over-allotment option as set forth in the Underwriting Agreement dated September 16, 2014 among the Corporation and Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, as representatives of the several Underwriters listed in Schedule I thereto). Capitalized terms used herein but not defined shall have the respective meanings given them in the Deposit Agreement.

This Depository Receipt is issuable to _____⁵ as the registered owner of the Depository Shares represented hereby. By accepting this Depository Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement.

¹ Insert for DTC Receipt.

² Insert "CEDE & CO." for DTC Receipt.

³ Insert for Physical Receipt.

⁴ Insert for DTC Receipt.

⁵ Insert "CEDE & CO." for DTC Receipt.

This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by the manual signature of a duly authorized officer or, if executed in facsimile by the Depositary, countersigned by a Registrar in respect of the Depositary Receipts by the manual signature of a duly authorized officer thereof.

Dated: September 22, 2014

[Countersigned:

By: _____]

Computershare Inc. and Computershare Trust Company, N.A.,
For both entities,
As Depositary

By: _____
Authorized Officer

[FORM OF REVERSE OF RECEIPT]

ALCOA INC.

ALCOA INC. WILL FURNISH WITHOUT CHARGE TO EACH RECEIPT HOLDER WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OF THE STATEMENT WITH RESPECT TO SHARES. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

<u>Abbreviation</u>	<u>Equivalent Phrase</u>	<u>Abbreviation</u>	<u>Equivalent Phrase</u>
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN BY ENT	As tenants by the entireties
TEN IN COM	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act

<u>Abbreviation</u>	<u>Equivalent Word</u>	<u>Abbreviation</u>	<u>Equivalent Word</u>	<u>Abbreviation</u>	<u>Equivalent Word</u>
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public Law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of
CH	Chapter	GDN	Guardian(s)	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Under agreement
DEC	Declaration	MIN	Minor(s)	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

ASSIGNMENT

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE. PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE.

Depository Shares represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint

Attorney to transfer the said Depository Shares on the books of the within named Depository with full power of substitution in the premises.

Dated: _____ 20__

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE(S) GUARANTEED

NOTICE: The signature(s) should be guaranteed by a participant in a signature guarantee program approved by the Securities Transfer Association at a guarantee level acceptable to the Corporation's transfer agent. Guarantees by a notary public are not acceptable.

SCHEDULE OF EXCHANGES

Alcoa Inc.

Depository Shares, Each Representing a 1/10th Interest in a share of 5.375% Class B Mandatory Convertible Preferred Stock, Series 1

Certificate Number: []

The number of Depository Shares initially represented by this DTC Receipt shall be []. Thereafter the Transfer Agent and Registrar shall note changes in the number of Depository Shares evidenced by this DTC Receipt in the table set forth below:

Amount of Decrease in Number of Depository Shares Evidenced by this DTC Receipt	Amount of Increase in Number of Depository Shares Evidenced by this DTC Receipt	Number of Depository Shares Represented by this DTC Receipt following Decrease or Increase	Signature of Authorized Officer of Transfer Agent and Registrar
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⁶ Attach Schedule I only to DTC Receipts.

EXHIBIT B:

STATEMENT WITH RESPECT TO SHARES

PENNSYLVANIA DEPARTMENT OF STATE
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

Statement with Respect to Shares
Domestic Business Corporation
(15 Pa.C.S. § 1522)

Name K&L Gates LLP		
Address 210 Sixth Avenue		
City Pittsburgh	State PA	Zip Code 15222

Document will be returned to the name and address you enter to the left.

Fee: \$70

In compliance with the requirements of 15 Pa.C.S. § 1522(b) (relating to statement with respect to shares), the undersigned corporation, desiring to state the designation and voting rights, preferences, limitations, and special rights, if any, of a class or series of its shares, hereby states that:

1. The name of the corporation is: Alcoa Inc.
--

2. Check and complete one of the following: <input type="checkbox"/> The resolution amending the Articles under 15 Pa.C.S. § 1522(b) (relating to divisions and determinations by the board), set forth in full, is as follows: _____ <input checked="" type="checkbox"/> The resolution amending the Articles under 15 Pa.C.S. § 1522(b) is set forth in full in Exhibit A attached hereto and made a part hereof.
--

3. The aggregate number of shares of such class or series established and designated by (a) such resolution, (b) all prior statements, if any, filed under 15 Pa.C.S. § 1522 or corresponding provisions of prior law with respect thereto, and (c) any other provision of the Articles is <u>2,875,000</u> shares.

4. The resolution was adopted by the Board of Directors or an authorized committee thereon on:
September 16, 2014

5. Check, and if appropriate complete, one of the following:

The resolution shall be effective upon the filing of this statement with respect to shares in the Department of State.

The resolution shall be effective on: _____ at _____.
Date Hour

IN TESTIMONY WHEREOF, the undersigned corporation has caused this statement to be signed by a duly authorized officer thereof this

22 day of September, 2014.

Alcoa Inc.

Name of Corporation

/s/ Peter Hong

Signature

Vice President and Treasurer

Title

**EXHIBIT A TO
STATEMENT WITH RESPECT TO SHARES
AMENDING THE
ARTICLES OF INCORPORATION OF
ALCOA INC.
5.375% MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1**

RESOLVED, that pursuant to Section 1522(b) of the Pennsylvania Business Corporation Law of 1988, as amended (“PBCL”), and Section 1 of Article FIFTH of the Company’s Articles of Incorporation (“Articles”), there is hereby designated and established a series of Class B Serial Preferred Stock of the Company, denominated as the “5.375 % Mandatory Convertible Preferred Stock, Series 1” (the “Mandatory Convertible Preferred Stock”), and the Pricing Committee hereby fixes and determines the number of such shares and, subject to the provisions of such Article FIFTH, the relative rights and preferences of such shares as set forth in **Exhibit A** hereto (the “Mandatory Convertible Preferred Stock Terms”)

Exhibit A
(to Pricing Committee Resolutions September 16, 2014)

TERMS OF 5.375% MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1

SECTION 1. *Designation; Number of Shares; Ranking.* The series of Class B Series Preferred Stock shall be designated as the Corporation's 5.375% Mandatory Convertible Preferred Stock, Series 1, par value \$1.00 per share (the "**Mandatory Convertible Preferred Stock**").

The number of shares of Mandatory Convertible Preferred Stock authorized to be issued shall be 2,500,000 (as increased from time to time, up to an aggregate of 2,875,000 shares of Mandatory Convertible Preferred Stock, by an amount equal to the number of any additional shares of Mandatory Convertible Preferred Stock underlying the Corporation's depository shares purchased by the underwriters named in the Underwriting Agreement pursuant to the exercise of their overallotment option as set forth therein), which number the Board of Directors may decrease (but not below the number of shares of the series then outstanding).

Each share of Mandatory Convertible Preferred Stock shall be identical in all respects to every other share of Mandatory Convertible Preferred Stock. The Mandatory Convertible Preferred Stock, with respect to dividend rights and rights upon the liquidation, winding up or dissolution of the Corporation, ranks:

- (a) senior to (i) Common Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon any liquidation, dissolution or winding up of the Corporation (collectively, "**Junior Stock**");
- (b) on parity with (i) any other series of Class B Serial Preferred Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which expressly provide that such class or series will rank on parity with the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon any liquidation, dissolution or winding up of the Corporation (collectively, "**Parity Stock**");
- (c) junior to (i) the Serial Preferred Stock and (ii) each class or series of shares established after the Initial Issue Date the terms of which expressly provide that such class or series will rank senior to the Mandatory Convertible Preferred Stock as to dividend rights and distribution rights upon the liquidation, dissolution or winding up of the Corporation (collectively, "**Senior Stock**"); and
- (d) junior to the Corporation's existing and future indebtedness.

For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not authorize or create any shares of its capital stock that are not Junior Stock, Parity Stock, or Senior Stock.

SECTION 2. *Standard Definitions.* As used herein with respect to the Mandatory Convertible Preferred Stock:

"**Accumulated Dividend Amount**" shall mean, with respect to any Fundamental Change, the aggregate amount of undeclared, accumulated and unpaid dividends, if any, on the Mandatory Convertible Preferred Stock for all Dividend Periods prior to the Fundamental Change Effective Date of the relevant Fundamental Change, including for the partial Dividend Period, if any, from, and including, the Dividend Payment Date immediately preceding such Fundamental Change Effective Date to, but excluding, such Fundamental Change Effective Date.

"**Acquisition**" means the Corporation's acquisition of the Firth Rixson business.

"**Acquisition Termination Conversion Rate**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Dividend Amount**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Event**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Make-whole Amount**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Market Value**" shall have the meaning set forth in Section 5.

"**Acquisition Termination Redemption**" means a redemption of the Mandatory Convertible Preferred Stock in accordance with the provisions of Section 5.

"**Acquisition Termination Redemption Date**" shall have the meaning set forth in Section 5.

“**Acquisition Termination Share Price**” shall have the meaning set forth in Section 5.

“**ADRs**” shall have the meaning set forth in Section 13(e).

“**Agent Members**” shall have the meaning set forth in Section 21.

“**Applicable Market Value**” means the Average VWAP per Common Share over the 20 consecutive Trading Day period commencing on and including, the 22nd Scheduled Trading Day prior to the Mandatory Conversion Date.

“**Articles of Incorporation**” shall mean the Corporation’s Articles of Incorporation, as amended from time to time.

“**Average Price**” shall have the meaning set forth in Section 3(c)(iii).

“**Average VWAP**” means the average of the VWAP per share for each Trading Day in the relevant period.

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

“**Board of Directors**” means the Board of Directors of the Corporation and shall include any authorized committee of such Board of Directors.

“**Business Day**” means any day other than a Saturday or Sunday or any other day on which commercial banks in New York City are authorized or required by law or executive order to close.

“**By-laws**” means the By-laws of the Corporation, as they may be amended or restated from time to time.

“**Clause I Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Clause II Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Clause IV Distribution**” shall have the meaning set forth in Section 13(a)(iv).

“**Common Share**” means a share of the Common Stock.

“**Common Stock**” means the Common Stock, par value \$1.00 per share, of the Corporation.

“**Conversion, Dividend Disbursing and Redemption Agent**” shall initially mean Computershare Inc., the Corporation’s duly appointed conversion, dividend disbursing and redemption agent for the Mandatory Convertible Preferred Stock, and any successor appointed under Section 14.

“**Conversion Date**” shall have the meaning set forth in Section 3(a).

“**Corporation**” shall mean Alcoa Inc.

“**Current Market Price**” per Common Share (or, in the case of Section 13(a)(iv), per Common Share, or per unit of capital stock or equity interest, as applicable) on any date means for the purposes of determining an adjustment to the Fixed Conversion Rates:

(i) for purposes of any adjustment pursuant to Section 13(a)(ii), Section 13(a)(iv) (in the event of an adjustment not relating to a Spin-Off), or Section 13(a)(v), the Average VWAP per Common Share over the five consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Date with respect to the issuance or distribution requiring such computation;

(ii) for purposes of any adjustment pursuant to Section 13(a)(iv) relating to a Spin-Off, the Average VWAP per Common Share, capital stock or equity interests of the subsidiary or other business unit being distributed, as applicable, over the first ten consecutive Trading Days commencing on and including the fifth Trading Day immediately following the effective date of such distribution; and

(iii) for purposes of any adjustment pursuant to Section 13(a)(vi), the Average VWAP per Common Share over the ten consecutive Trading Day period commencing on and including the Trading Day next succeeding the Expiration Date of the relevant tender offer or exchange offer.

“**Depository**” means DTC or its nominee or any successor.

“**Direct Treasury Shares**” shall mean shares heretofore or hereafter acquired by the Corporation and deemed to be issued but not outstanding under section 1552(a) of the Pennsylvania Business Corporation Law of 1988, as amended, or any successor provision.

“**Dividend Payment Date**” means January 1, April 1, July 1 and October 1 of each year commencing on January 1, 2015, to and including the Mandatory Conversion Date.

“**Dividend Period**” means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Initial Issue Date and shall end on, and exclude, the Dividend Payment Date occurring on January 1, 2015.

“**Dividend Rate**” shall have the meaning set forth in Section 3(a).

“**DTC**” means The Depository Trust Corporation.

“**Early Conversion**” shall have the meaning set forth in Section 8(a).

“**Early Conversion Additional Conversion Amount**” shall have the meaning set forth in Section 8(b).

“**Early Conversion Average Price**” shall have the meaning set forth in Section 8(b).

“**Early Conversion Date**” shall have the meaning set forth in Section 10(b).

“**Early Conversion Settlement Period**” shall have the meaning set forth in Section 8(b).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“**Exchange Property**” shall have the meaning set forth in Section 13(e).

“**Ex-Date,**” when used with respect to any issuance or distribution, means the first date on which Common Shares trade without the right to receive such issuance or distribution.

“**Expiration Date**” shall have the meaning set forth in Section 13(a)(vi).

“**Fair Market Value**” means the fair market value as determined in good faith by the Board of Directors, whose determination shall be final and set forth in a resolution of the Board of Directors.

“**Fixed Conversion Rates**” means the Maximum Conversion Rate and the Minimum Conversion Rate.

“**Floor Price**” shall have the meaning set forth in Section 3(e).

A “**Fundamental Change**” shall be deemed to have occurred, at any time after the Initial Issue Date, upon: (i) the consummation of any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, recapitalization or otherwise) in connection with which 90% or more of the outstanding Common Stock is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration 10% or more of which is not common stock that is listed on, or immediately after the transaction or event will be listed on, any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market; (ii) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable), other than the Corporation, any of the Corporation’s majority-owned subsidiaries or any of the Corporation’s or the Corporation’s majority-owned subsidiaries’ employee benefit plans, becoming the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of capital stock then outstanding entitled to vote generally in elections of the Corporation’s directors; or (iii) the Common Stock (or, following a Reorganization Event, any common stock, depositary receipts or other securities representing common equity interests into which the Mandatory Convertible Preferred Stock becomes convertible in connection with such Reorganization Event) ceases to be listed for trading on the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or another United States national securities exchange.

“**Fundamental Change Conversion**” shall have the meaning set forth in Section 9(a).

“**Fundamental Change Conversion Date**” shall have the meaning set forth in Section 10(c).

“**Fundamental Change Conversion Period**” shall have the meaning set forth in Section 9(a).

“**Fundamental Change Conversion Rate**” means, for any Fundamental Change Conversion, the conversion rate set forth in the table below for the Fundamental Change Effective Date and the Fundamental Change Share Price applicable to such Fundamental Change:

Fundamental Change Effective Date	Fundamental Change Share Price on Fundamental Change Effective Date													
	\$5.00	\$10.00	\$15.00	\$16.16	\$17.00	\$18.00	\$19.39	\$25.00	\$30.00	\$40.00	\$50.00	\$65.00	\$80.00	\$100.00
September 22, 2014	28.8937	28.2303	26.5805	26.3172	26.1174	25.9372	25.7370	25.3532	25.2994	25.3692	25.4361	25.4875	25.5124	25.5313
October 1, 2015	29.5177	29.1726	27.2811	27.7978	26.6539	26.4025	26.1199	25.5708	25.4790	25.5142	25.5531	25.5819	25.5973	25.6016
October 1, 2016	30.1631	30.2222	28.3056	29.3228	27.3764	26.9829	26.5375	25.7377	25.6353	25.6486	25.6643	25.6780	25.6865	25.6951
October 1, 2017	30.9406	30.9406	30.9406	30.9406	29.4118	27.7778	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838	25.7838

If the Fundamental Change Share Price falls between two Fundamental Change Share Prices set forth in the table above, or if the Fundamental Change Effective Date falls between two Fundamental Change Effective Dates set forth in the table above, the Fundamental Change Conversion Rate shall be determined by straight-line interpolation between the Fundamental Change Conversion Rates set forth for the higher and lower Fundamental Change Share Prices and the earlier and later Fundamental Change Effective Dates based on a 365-day year, as applicable.

If the Fundamental Change Share Price is in excess of \$100.00 per share (subject to adjustment in the same manner as adjustments are made to the Fundamental Change Share Price in accordance with the provisions of Section 13(c)(iv)), then the Fundamental Change Conversion Rate shall be the Minimum Conversion Rate.

If the Fundamental Change Share Price is less than \$5.00 per share (subject to adjustment in the same manner as adjustments are made to the Fundamental Change Share Price in accordance with the provisions of Section 13(c)(iv)), then the Fundamental Change Conversion Rate shall be the Maximum Conversion Rate.

The Fundamental Change Share Prices in the column headings in the table above are subject to adjustment in accordance with the provisions of Section 13(c)(iv). The Fundamental Change Conversion Rates set forth in the table above are each subject to adjustment in the same manner as each Fixed Conversion Rate as set forth in Section 13.

“Fundamental Change Dividend Make-whole Amount” shall have the meaning set forth in Section 9(d)(i)(A).

“Fundamental Change Effective Date” shall have the meaning set forth in Section 9(a).

“Fundamental Change Notice” shall have the meaning set forth in Section 9(b).

“Fundamental Change Share Price” means, for any Fundamental Change, (i) if the holders of Common Shares receive only cash in such Fundamental Change, the amount of cash paid in such Fundamental Change per Common Share, and (ii) if the holders of Common Shares receive any property other than cash in such Fundamental Change, the Average VWAP per Common Share over the 10 consecutive Trading Day period ending on, and including, the Trading Day preceding the Fundamental Change Effective Date; *provided, however*, that if the Corporation elects to pay any portion of a Fundamental Change Dividend Make-whole Amount or of the Accumulated Dividend Amount in Common Shares, then, solely for purposes of calculating the number of Common Shares payable in respect of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount, the Fundamental Change Share Price shall be the average VWAP per Common Share over the 10 consecutive Trading Day period beginning on the Trading Day next succeeding the Fundamental Change Effective Date.

“Global Preferred Shares” shall have the meaning set forth in Section 21.

“Holder” means each person in whose name shares of the Mandatory Convertible Preferred Stock are registered, who shall be treated by the Corporation and the Registrar as the absolute owner of those shares of Mandatory Convertible Preferred Stock for the purpose of making payment and settling conversions and for all other purposes.

“Initial Dividend Threshold” shall have the meaning set forth in Section 13(a)(v).

“Initial Issue Date” means September 22, 2014, the first original issue date of shares of the Mandatory Convertible Preferred Stock.

“Initial Price” shall have the meaning set forth in Section 7(b)(ii).

“Junior Stock” shall have the meaning set forth in Section 1.

“Liquidation Dividend Amount” shall have the meaning set forth in Section 4(a).

“Liquidation Preference” means, as to the Mandatory Convertible Preferred Stock, \$500 per share.

“Mandatory Conversion” shall have the meaning set forth in Section 7(a).

“Mandatory Conversion Additional Conversion Amount” shall have the meaning set forth in Section 7(c).

“Mandatory Conversion Date” means October 1, 2017.

“Mandatory Conversion Rate” shall have the meaning set forth in Section 7(b).

“Mandatory Convertible Preferred Stock” shall have the meaning set forth in Section 1.

“Maximum Conversion Rate” shall have the meaning set forth in Section 7(b)(iii).

“Minimum Conversion Rate” shall have the meaning set forth in Section 7(b)(i).

“**Officer**” means the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Treasurer or the Secretary of the Corporation.

“**Officer’s Certificate**” means a certificate of the Corporation, signed by any duly authorized Officer of the Corporation.

“**Parity Stock**” shall have the meaning set forth in Section 1.

“**Person**” means any individual, partnership, firm, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

“**Prospectus Supplement**” means the prospectus supplement, dated September 16, 2014, to the prospectus dated July 30, 2014, relating to the offering and sale of shares of Mandatory Convertible Preferred Stock.

“**Purchase Agreement**” means the purchase agreement, dated as of June 25, 2014, among the Corporation, FR Acquisition Corporation (US), Inc., FR Acquisitions Corporation (Europe) Limited, FR Acquisition Finance Subco (Luxembourg), S.à.r.l., Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P., as the same may be amended or supplemented from time to time.

“**Qualifying Market**” means the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or another United States national securities exchange.

“**Record Date**” means, with respect to any Dividend Payment Date, the December 15, March 15, June 15 or September 15 immediately preceding the applicable January 1, April 1, July 1 or October 1 Dividend Payment Date, respectively. These Record Dates shall apply regardless of whether a particular Record Date is a Business Day.

“**Record Holder**” means, with respect to any Dividend Payment Date, a Holder of record of any shares of the Mandatory Convertible Preferred Stock as such Holder appears on the stock register of the Corporation at 5:00 p.m., New York City time, on the related Record Date.

“**Reference Amount**” shall have the meaning set forth in Section 5.

“**Registrar**” shall initially mean Computershare Trust Company, N.A., the Corporation’s duly appointed registrar for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Reorganization Event**” shall have the meaning set forth in Section 13(e).

“**Scheduled Trading Day**” means any day that is scheduled to be a Trading Day.

“**Senior Stock**” shall have the meaning set forth in Section 1.

“**Serial Preferred Stock**” shall mean the Serial Preferred Stock authorized under Article FIFTH of the Articles of Incorporation.

“**Shelf Registration Statement**” shall mean a shelf registration statement filed with the Securities and Exchange Commission in connection with the issuance of or resales of Common Shares issued as payment of a dividend or other amounts issuable in respect of the Mandatory Convertible Preferred Stock, including dividends paid in connection with a conversion.

“**Share Dilution Amount**” shall have the meaning set forth in Section 3(b).

“**Spin-Off**” means a dividend or other distribution (including, for these purposes only, a division under the Pennsylvania Business Corporation Law or any successor statute) by the Corporation to all holders of Common Shares consisting of capital stock of, or similar equity interests in, or relating to a subsidiary or other business unit of the Corporation.

“**Statement with Respect to Shares**” means the Statement with Respect to Shares filed with the Bureau of Corporations of the Department of State of the Commonwealth of Pennsylvania with respect to the Mandatory Convertible Preferred Stock, as it may be amended from time to time.

“**Threshold Appreciation Price**” shall have the meaning set forth in Section 7(b)(i).

“**Trading Day**” means a day on which the Common Stock:

(a) is not suspended from trading, and on which trading in the Common Stock is not limited, on any national or regional securities exchange or association or over-the-counter market during any period or periods aggregating one half-hour or longer; and

(b) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock; *provided that* if the Common Stock is not traded on any such exchange, association or market, “**Trading Day**” means any Business Day.

“**Transfer Agent**” shall initially mean Computershare Trust Company, N.A., the Corporation’s duly appointed transfer agent for the Mandatory Convertible Preferred Stock and any successor appointed under Section 14.

“**Trigger Event**” shall have the meaning set forth in Section 13(a)(iv).

“**Underwriting Agreement**” means the Underwriting Agreement relating to the Mandatory Convertible Preferred Stock and the depositary shares representing the Mandatory Convertible Preferred Stock, dated September 16, 2014, among the Corporation and the underwriters named therein.

“**Unit of Exchange Property**” shall have the meaning set forth in Section 13(e).

“**VWAP**” per Common Share on any Trading Day means the per share volume-weighted average price as displayed on Bloomberg page “AA<EQUITY>AQR” (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such Trading Day; or, if such price is not available, “**VWAP**” means the market value per Common Share on such Trading Day as determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

SECTION 3. *Dividends.*

(a) *Rate.* Subject to the rights of holders of any class of capital stock ranking senior to the Mandatory Convertible Preferred Stock with respect to dividends, including the Serial Preferred Stock, Holders shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available therefor, cumulative dividends at the rate per annum of 5.375% on the Liquidation Preference per share of Mandatory Convertible Preferred Stock (the “**Dividend Rate**”) (equivalent to \$26.8750 per annum per share), payable in cash, by delivery of Common Shares or by delivery of any combination of cash and Common Shares, as determined by the Corporation in its sole discretion, in accordance with the provisions set forth in Section 3(c)(i) (subject to the limitations described herein). Declared dividends on the Mandatory Convertible Preferred Stock shall be payable quarterly on each Dividend Payment Date at such annual rate, and dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Initial Issue Date, whether or not in any Dividend Period or Dividend Periods there have been funds legally available for the payment of such dividends. Declared dividends shall be payable on the relevant Dividend Payment Date to Record Holders on the immediately preceding Record Date, whether or not the shares of Mandatory Convertible Preferred Stock held by such Record Holders on such Record Date are converted after such Record Date and on or prior to the immediately succeeding Dividend Payment Date. If a Dividend Payment Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The amount of dividends payable on each share of Mandatory Convertible Preferred Stock for each full Dividend Period (after the initial Dividend Period) shall be computed by dividing the Dividend Rate by four. Dividends payable on the Mandatory Convertible Preferred Stock for the initial Dividend Period and any partial Dividend Period shall be computed based upon the actual number of days elapsed during such period over a 360-day year (consisting of twelve 30-day months). Accumulated dividends shall not bear interest.

No dividend shall be declared or paid upon, or any sum or number of Common Shares set apart for the payment of dividends upon, any outstanding shares of Mandatory Convertible Preferred Stock with respect to any Dividend Period unless all dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of Common Shares have been set apart for the payment of such dividends upon, all outstanding shares of Mandatory Convertible Preferred Stock.

Holders shall not be entitled to any dividends on the Mandatory Convertible Preferred Stock, whether payable in cash, property or Common Shares, in excess of full cumulative dividends.

Except as described in this Section 3(a), dividends on any shares of Mandatory Convertible Preferred Stock converted to Common Shares shall cease to accumulate on the Mandatory Conversion Date, the Fundamental Change Conversion Date or the Early Conversion Date (each, a “**Conversion Date**”), as applicable.

(b) *Priority of Dividends.* So long as any share of Mandatory Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on Common Shares or any other shares of Junior Stock, and no Common Shares or shares of Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless all accumulated and unpaid dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of Common Shares have been set apart for the payment of such dividends upon, all outstanding Mandatory Convertible Preferred Stock. The foregoing limitation shall not apply to (i) any dividend or distribution payable in Common Shares or other Junior Stock; (ii) redemptions, purchases or other acquisitions of Common Shares or shares of Junior Stock in connection with the

administration of any benefit or other incentive plan, including any employment contract, in the ordinary course of business (including purchases to offset the Share Dilution Amount pursuant to a publicly announced repurchase plan or acquisitions of shares of Common Stock deemed surrendered in connection with the exercise of stock options); provided that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (iii) any dividends or distributions of rights in connection with a shareholders' rights plan or any redemption or repurchase of rights pursuant to any shareholders' rights plan; (iv) purchases of Common Shares or shares of Junior Stock pursuant to a contractually binding requirement to buy Common Shares or shares of Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan; or (v) the deemed purchase or acquisition of fractional interests in Common Shares or shares of Junior Stock pursuant to the conversion or exchange provisions of such shares or the security being converted or exchanged. The phrase "Share Dilution Amount" means the increase in the number of diluted shares of Common Stock outstanding (determined in accordance with U.S. GAAP, and as measured from the Initial Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to directors, employees and agents and equitably adjusted for any share split, share dividend, reverse share split, reclassification or similar transaction.

When dividends on shares of Mandatory Convertible Preferred Stock (i) have not been declared and paid in full on any Dividend Payment Date or (ii) have been declared but a sum of cash or number of Common Shares sufficient for payment thereof has not been set aside for the benefit of the Record Holders thereof on the applicable Record Date, no dividends may be declared or paid on any shares of Parity Stock unless dividends are declared on the shares of Mandatory Convertible Preferred Stock such that the respective amounts of such dividends declared on the shares of Mandatory Convertible Preferred Stock and such shares of Parity Stock shall be allocated pro rata among the Holders of the shares of Mandatory Convertible Preferred Stock and the holders of any such shares of Parity Stock then outstanding. For purposes of calculating the pro rata allocation of partial dividend payments, the Corporation shall allocate those payments so that the respective amounts of those payments for the declared dividend bear the same ratio to each other as all accumulated dividends and declared and unpaid dividends per share on the shares of Mandatory Convertible Preferred Stock and the shares of such Parity Stock; *provided* that any unpaid dividends on the Mandatory Convertible Preferred Stock will continue to accumulate.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors may be declared and paid on any securities, including Common Shares, from time to time out of any funds legally available for such payment, and Holders shall not be entitled to participate in any such dividends.

(c) Method of Payment of Dividends.

(i) Subject to the limitations described below, any declared dividend (or any portion of any declared dividend) on the Mandatory Convertible Preferred Stock, whether or not for a current Dividend Period or any prior Dividend Period, may be paid by the Corporation, as determined in the Corporation's sole discretion:

(A) in cash;

(B) by delivery of Common Shares; or

(C) by delivery of any combination of cash and Common Shares.

(ii) Each payment of a declared dividend on the Mandatory Convertible Preferred Stock shall be made in cash, except to the extent the Corporation timely elects to make all or any portion of such payment in Common Shares. The Corporation shall give notice to Holders of any such election and the portions of such payment that will be made in cash and in Common Shares no later than 10 Scheduled Trading Days prior to the Dividend Payment Date for such dividend; *provided* that if the Corporation does not provide timely notice of this election, the Corporation will be deemed to have elected to pay the relevant dividend in cash.

(iii) All cash payments to which a Holder is entitled in connection with a declared dividend on the shares of Mandatory Convertible Preferred Stock will be rounded to the nearest cent. Any Common Shares issued in payment or partial payment of a declared dividend on the Mandatory Convertible Preferred Stock shall be valued for such purpose at 97% of the Average VWAP per Common Share over the five consecutive Trading Day period beginning on and including the seventh Scheduled Trading Day prior to the applicable Dividend Payment Date (the "**Average Price**").

(d) No fractional shares of Common Stock shall be delivered by the Corporation to Holders in payment or partial payment of a dividend. The Corporation shall instead pay a cash adjustment (computed to the nearest cent) to each Holder that would otherwise be entitled to receive a fraction of a share of Common Stock based on the Average Price with respect to such dividend.

(e) Notwithstanding the foregoing, in no event shall the number of Common Shares to be delivered in connection with any declared dividend on the Mandatory Convertible Preferred Stock, including any declared dividend payable in connection with a conversion, exceed a number equal to the total dividend payment divided by \$5.66, subject to adjustment in a manner inversely

proportional to any anti-dilution adjustment to each Fixed Conversion Rate as set forth in Section 13 (such dollar amount, as adjusted from time to time, the “**Floor Price**”). To the extent that the amount of any declared dividend exceeds the product of (x) the number of Common Shares delivered in connection with such declared dividend and (y) 97% of the Average Price, the Corporation shall, if it is legally able to do so, notwithstanding any notice by the Corporation to the contrary, pay such excess amount in cash (computed to the nearest cent).

(f) To the extent that the Corporation, in its reasonable judgment, determines that a Shelf Registration Statement is required in connection with the issuance of, or for resales of, Common Shares issued as payment of a dividend on the Mandatory Convertible Preferred Stock, including dividends paid in connection with a conversion, the Corporation shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its commercially reasonable efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all such Common Shares have been resold thereunder and such time as all such shares would be freely tradable without registration by holders thereof that are not “affiliates” of the Corporation for purposes of the Securities Act of 1933, as amended. To the extent applicable, the Corporation shall also use its commercially reasonable efforts to have such Common Shares approved for listing on the New York Stock Exchange (or if the Common Shares are not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Shares are then listed), and qualified or registered under applicable state securities laws, if required, provided that the Corporation will not be required to qualify as a foreign corporation or to take any action that would subject the Corporation to general service of process in any such jurisdiction where the Corporation is not presently qualified or subject to taxation as a foreign corporation and such qualification or action would subject the Corporation to such taxation.

SECTION 4. *Liquidation, Dissolution or Winding Up.*

(a) In the event of any voluntary or involuntary liquidation, winding up or dissolution of the Corporation, each Holder shall be entitled to receive:

(i) the Liquidation Preference per share of Mandatory Convertible Preferred Stock, plus

(ii) an amount (the “**Liquidation Dividend Amount**”) equal to all dividends that have accrued on such Holder’s shares to (but excluding) the date fixed for liquidation, winding up or dissolution but have not been paid or declared and a sum sufficient for the payment thereof been set apart,

to be paid out of the assets of the Corporation legally available for distribution to its shareholders, after satisfaction of liabilities owed to the Corporation’s creditors and payment of any liquidation preference of holders of shares of each class or series of Senior Stock, and before any payment or distribution is made to holders of Junior Stock, including Common Stock.

(b) Neither the merger or consolidation of the Corporation into or with any other corporation or corporations, any share exchange or division involving the Corporation in pursuance of applicable statutes providing for the consolidation, merger, share exchange or division shall be deemed to be a voluntary or involuntary liquidation, winding-up or dissolution of the Corporation for the purposes of this Section 4.

(c) If, upon the voluntary or involuntary liquidation, winding up or dissolution of the Corporation, the amounts payable with respect to (1) the Liquidation Preference plus the Liquidation Dividend Amount of the Mandatory Convertible Preferred Stock and (2) the liquidation preference of, and the amount of accumulated and unpaid dividends to, but excluding, the date fixed for liquidation, dissolution or winding up, on, any Parity Stock are not paid in full, the Holders and all holders of any classes or series of Parity Stock shall share equally and ratably in any distribution of the Corporation’s assets in proportion to the respective liquidation preferences and amounts equal to the accumulated and unpaid dividends to which they are entitled.

(d) After the payment to any Holder of the full amount of the Liquidation Preference and the Liquidation Dividend Amount for each of such Holder’s shares of Mandatory Convertible Preferred Stock, such Holder as such shall have no right or claim to any of the remaining assets of the Corporation.

SECTION 5. *Acquisition Termination Redemption; No Sinking Fund.*

(a) Within ten Business Days following the earlier of (a) the date on which an Acquisition Termination Event occurs and (b) 5:00 p.m. (New York City time) on April 1, 2015, if the Acquisition has not closed on or prior to such time on such date, the Corporation shall be entitled, but not required, to mail a notice of Acquisition Termination Redemption to the Holders (provided that, if depositary shares representing shares of Mandatory Convertible Preferred Stock are held in book-entry form through DTC, the Corporation may give such notice in respect of such shares in any matter permitted by DTC). If the Corporation shall mail such notice of Acquisition Termination Redemption to Holders, on the Acquisition Termination Redemption Date, the Corporation shall be required to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at a redemption amount per share of Mandatory Convertible Preferred Stock equal to the Acquisition Termination Make-whole Amount.

“Acquisition Termination Event” means either (1) the Purchase Agreement is terminated or (2) the Corporation shall determine in its reasonable judgment that the Acquisition will not occur.

“Acquisition Termination Make-whole Amount” means, for each share of Mandatory Convertible Preferred Stock, an amount in cash equal to \$505 plus accumulated and unpaid dividends to the Acquisition Termination Redemption Date (whether or not declared); provided, however, that if the Acquisition Termination Share Price exceeds the Initial Price, the Acquisition Termination Make-whole Amount will equal the Reference Amount.

“Acquisition Termination Share Price” means the average VWAP per Common Share over the 10 consecutive Trading Day period ending on the Trading Day preceding the date on which the Corporation shall provide notice of Acquisition Termination Redemption to Holders.

The **“Reference Amount”** shall equal the sum of the following amounts:

- (i) a number of Common Shares equal to the Acquisition Termination Conversion Rate; plus
- (ii) cash in an amount equal to the Acquisition Termination Dividend Amount;

provided that the Corporation may deliver cash in lieu of all or any portion of the Common Shares set forth in clause (i) above, and the Corporation may deliver Common Shares in lieu of all or any portion of the cash amount set forth in clause (ii) above, in each case, as set forth in this Section 5.

“Acquisition Termination Conversion Rate” means a rate equal to the Fundamental Change Conversion Rate, assuming for such purpose that the date on which the Corporation shall provide notice of Acquisition Termination Redemption is the Fundamental Change Effective Date and that the Fundamental Change Share Price is the Acquisition Termination Share Price.

“Acquisition Termination Dividend Amount” means an amount of cash equal to the sum of (x) the Fundamental Change Dividend Make-whole Amount and (y) the Accumulated Dividend Amount, assuming in each case, for such purpose that the date on which the Corporation shall provide notice of Acquisition Termination Redemption is the Fundamental Change Effective Date.

(b) If the Acquisition Termination Share Price shall exceed the Initial Price, the Corporation may pay cash (computed to the nearest cent) in lieu of delivering all or any portion of the number of Common Shares equal to the Acquisition Termination Conversion Rate. If the Corporation shall make such an election, it shall deliver cash in an amount equal to such number of Common Shares in respect of which it shall have made such election multiplied by the Acquisition Termination Market Value.

(c) In addition, if the Acquisition Termination Share Price shall exceed the Initial Price, the Corporation may elect to deliver Common Shares in lieu of some or all of the Acquisition Termination Dividend Amount. If the Corporation shall make such an election, it shall deliver a number of Common Shares equal to such portion of the Acquisition Termination Dividend Amount to be paid in Common Shares divided by the greater of the Floor Price and 97% of the Acquisition Termination Market Value; provided that, if the Acquisition Termination Dividend Amount or portion thereof in respect of which Common Shares are delivered exceeds the product of such number of Common Shares multiplied by 97% of the Acquisition Termination Market Value, the Corporation shall, if it is legally able to do so, declare and pay such excess amount in cash (computed to the nearest cent).

“Acquisition Termination Market Value” means the average VWAP per Common Share over the twenty consecutive Trading Day period commencing on and including the third Trading Day following the date on which the Corporation provides notice of Acquisition Termination Redemption.

“Acquisition Termination Redemption Date” means the date specified by the Corporation in its notice of Acquisition Termination Redemption that is not less than 30 nor more than 60 days following the date on which the Corporation shall provide notice of such Acquisition Termination Redemption; provided, that, if the Acquisition Termination Share Price is greater than the Initial Price and the Corporation shall elect to pay cash in lieu of delivering all or any portion of the Common Shares equal to the Acquisition Termination Conversion Rate, or, if the Corporation shall elect to deliver Common Shares in lieu of all or any portion of the Acquisition Termination Dividend Amount, the Acquisition Termination Redemption Date shall be the third Business Day following the last Trading Day of the 20 consecutive Trading Day period used to determine the Acquisition Termination Market Value.

(d) The notice of Acquisition Termination Redemption shall specify, among other things:

- (i) the Acquisition Termination Make-whole Amount;
- (ii) if the Acquisition Termination Share Price exceeds the Initial Price, the number of Common Shares and the amount of cash comprising the Reference Amount per share of Mandatory Convertible Preferred Stock (before giving effect to any election to pay or deliver, with respect to each share of Mandatory Convertible Preferred Stock, cash in lieu of a number of Common Shares equal to the Acquisition Termination Conversion Rate or Common Shares in lieu of cash in respect of the Acquisition Termination Dividend Amount);
- (iii) if applicable, whether the Corporation will deliver cash in lieu of all or any portion of the number of Common Shares equal to the Acquisition Termination Conversion Rate included as a portion of the Reference Amount (specifying, if applicable, the number of such Common Shares in respect of which cash will be delivered);
- (iv) if applicable, whether the Corporation will deliver Common Shares in lieu of all or any portion of the Acquisition Termination Dividend Amount included as a portion of the Reference Amount (specifying, if applicable, the percentage of the Acquisition Termination Dividend Amount in respect of which Common Shares will be delivered in lieu of cash); and
- (v) the Acquisition Termination Redemption Date.

(e) If any portion of the Acquisition Termination Make-whole Amount is to be paid in Common Shares, no fractional Common Shares will be delivered to the Holders. The Corporation shall instead pay a cash adjustment (rounded to the nearest cent) to each Holder that would otherwise be entitled to a fraction of a Common Share based on the average VWAP per Common Share over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the Acquisition Termination Redemption Date. If more than one share of Mandatory Convertible Preferred Stock is to be redeemed from a Holder, the number of Common Shares issuable in connection with the payment of the Reference Amount shall be computed on the basis of the aggregate number of shares of Mandatory Convertible Preferred Stock so redeemed.

(f) All cash payments to which a Holder is entitled in connection with an Acquisition Termination Redemption will be rounded to the nearest cent.

(g) To the extent that the Corporation, in its reasonable judgment, determines that a Shelf Registration Statement is required in connection with the issuance of, or for resales of, Common Shares issued as any portion of the payment of the Acquisition Termination Make-whole Amount, the Corporation shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its commercially reasonable efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all such Common Shares have been resold thereunder and such time as all such shares would be freely tradable without registration by holders thereof that are not “affiliates” of the Corporation for purposes of the Securities Act of 1933, as amended. To the extent applicable, the Corporation shall also use its commercially reasonable efforts to have such Common Shares qualified or registered under applicable state securities laws, if required, and approved for listing on the New York Stock Exchange (or if the Common Shares are not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Shares are then listed), provided that the Corporation will not be required to qualify as a foreign corporation or to take any action that would subject the Corporation to general service of process in any such jurisdiction where the Corporation is not presently qualified or subject to taxation as a foreign corporation and such qualification or action would subject the Corporation to such taxation.

(h) Other than pursuant to the Acquisition Termination Redemption provisions described above, shares of Mandatory Convertible Preferred Stock shall not be subject to any redemption, sinking fund or other similar provisions.

SECTION 6. *Voting Rights.*

(a) *General.* Holders shall not have any voting rights except as set forth in Section 4 of Article FIFTH of the Articles of Incorporation (as further limited by subsection (b) of this Section 6) or as otherwise from time to time required by Pennsylvania law.

(b) *Change for Clarification.* Without the consent of the Holders, so long as such action does not adversely affect the special rights, preferences, privileges or voting powers, and limitations and restrictions thereof, of the shares of Mandatory Convertible Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Mandatory Convertible Preferred Stock:

(i) to cure any ambiguity or mistake, or to correct or supplement any provision contained in the Statement with Respect to Shares that may be defective or inconsistent with any other provision contained in the Statement with Respect to Shares;

(ii) to make any provision with respect to matters or questions relating to the Mandatory Convertible Preferred Stock that is not inconsistent with the provisions of the Articles of Incorporation or the Statement with Respect to Shares; or

(iii) to waive the Corporation’s rights with respect thereto;

provided, that any such amendment, alteration, supplement or repeal of any terms of the Mandatory Convertible Preferred Stock effected in order to conform the terms thereof to the description of the terms of the Mandatory Convertible Preferred Stock set forth under “Description of Mandatory Convertible Preferred Stock” in the Prospectus Supplement shall be deemed not to adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Mandatory Convertible Preferred Stock. The full text of the Prospectus Supplement is on file at the principal place of business of the Corporation at 390 Park Avenue, New York, New York 10022.

SECTION 7. *Mandatory Conversion on the Mandatory Conversion Date.*

(a) Each share of Mandatory Convertible Preferred Stock shall automatically convert (unless previously redeemed at the option of the Corporation in accordance with Section 5, converted at the option of the Holder in accordance with Section 8 or pursuant to an exercise of a Fundamental Change Conversion right pursuant to Section 9) on the Mandatory Conversion Date (“**Mandatory Conversion**”), into a number of Common Shares equal to the Mandatory Conversion Rate.

(b) The “**Mandatory Conversion Rate**,” which is the number of Common Shares issuable upon conversion of each share of Mandatory Convertible Preferred Stock on the Mandatory Conversion Date (excluding Common Shares, if any, issued in respect of accrued and unpaid dividends) shall, subject to adjustment in accordance with Section 7(c), be as follows:

(i) if the Applicable Market Value is greater than \$19.39 (the “**Threshold Appreciation Price**”), then the Mandatory Conversion Rate shall be equal to 25.7838 Common Shares per share of Mandatory Convertible Preferred Stock (the “**Minimum Conversion Rate**”);

(ii) if the Applicable Market Value is less than or equal to the Threshold Appreciation Price but equal to or greater than \$16.16 (the “**Initial Price**”), then the Mandatory Conversion Rate per share of Mandatory Convertible Preferred Stock shall be equal to \$500 divided by the Applicable Market Value; or

(iii) if the Applicable Market Value is less than the Initial Price, then the Mandatory Conversion Rate shall be equal to 30.9406 Common Shares per share of Mandatory Convertible Preferred Stock (the “**Maximum Conversion Rate**”);

provided that the Fixed Conversion Rates, the Threshold Appreciation Price, the Initial Price and the Applicable Market Value are each subject to adjustment in accordance with the provisions of Section 13.

(c) If prior to the Mandatory Conversion Date the Corporation has not declared all or any portion of the accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock, the Mandatory Conversion Rate shall be adjusted so that Holders receive an additional number of Common Shares equal to the amount of accumulated and unpaid dividends that have not been declared (“**Mandatory Conversion Additional Conversion Amount**”) divided by the greater of the Floor Price and 97% of the Average Price (calculated as though the Mandatory Conversion Date is the applicable Dividend Payment Date). To the extent that the Mandatory Conversion Additional Conversion Amount exceeds the product of such number of additional shares and 97% of the Average Price, the Corporation shall, if the Corporation is legally able to do so, declare and pay such excess amount in cash (computed to the nearest cent) pro rata to the Holders. No such payment in cash may be made if the payment is not permitted by the Corporation’s then existing debt instruments.

SECTION 8. *Early Conversion at the Option of the Holder.*

(a) Other than during a Fundamental Change Conversion Period, the Holders shall have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock), at any time prior to the Mandatory Conversion Date (“**Early Conversion**”), into Common Shares at the Minimum Conversion Rate, subject to adjustment as described in Section 13 and to satisfaction of the conversion procedures set forth in Section 10.

(b) If as of any Early Conversion Date the Corporation has not declared all or any portion of the accumulated and unpaid dividends for all full Dividend Periods ending on a Dividend Payment Date prior to such Early Conversion Date, the Minimum Conversion Rate shall be adjusted, with respect to the relevant Early Conversion, so that the converting Holder receives an additional number of Common Shares equal to the amount of accumulated and unpaid dividends that have not been declared for such full Dividend Periods (the “**Early Conversion Additional Conversion Amount**”), divided by the greater of the Floor Price and the Average VWAP per Common Share over the 20 consecutive Trading Day period (the “**Early Conversion Settlement Period**”) commencing on, and including, the 22nd Trading Day immediately preceding the Early Conversion Date (such average being referred to as the “**Early Conversion Average Price**”). To the extent that the Early Conversion Additional Conversion Amount exceeds the product of the number of additional shares of Common Stock and the Early Conversion Average Price, the Corporation shall not have any obligation to pay the shortfall in cash. Except as described in the first sentence of this Section 8(b), upon any Early Conversion of

any shares of the Mandatory Convertible Preferred Stock, the Corporation shall make no payment or allowance for undeclared dividends on such shares of the Mandatory Convertible Preferred Stock, unless such Early Conversion occurs after the Record Date for a declared dividend and on or prior to the immediately succeeding Dividend Payment Date, in which case the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holder of the converted shares as of such Record Date, in accordance with Section 3.

SECTION 9. *Fundamental Change Conversion.*

(a) If a Fundamental Change occurs on or prior to the Mandatory Conversion Date, the Holders shall have the right to (i) convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock) (any such conversion pursuant to this Section 9(a) being a “**Fundamental Change Conversion**”) at any time during the period (the “**Fundamental Change Conversion Period**”) that begins on the effective date of such Fundamental Change (the “**Fundamental Change Effective Date**”) and ends at 5:00 p.m., New York City time, on the date that is 20 calendar days after the Fundamental Change Effective Date (or, if earlier, the Mandatory Conversion Date) into a number of Common Shares equal to the Fundamental Change Conversion Rate per share of Mandatory Convertible Preferred Stock, (ii) with respect to such converted shares, receive a Fundamental Change Dividend Make-whole Amount payable in cash or in Common Shares; and (iii) with respect to such converted shares, receive the Accumulated Dividend Amount, in the case of clauses (ii) and (iii), subject to the Corporation’s right to deliver Common Shares in lieu of all or part of such amounts as set forth in clause (d) below; *provided* that if such Fundamental Change Effective Date or the relevant Fundamental Change Conversion Date falls after the Record Date for a declared dividend and prior to the next Dividend Payment Date, the Corporation shall pay such dividend on such Dividend Payment Date to the Record Holders as of such Record Date, in accordance with Section 3, and such dividend shall not be included in the Accumulated Dividend Amount, and the Fundamental Change Dividend Make-whole Amount shall not include the present value of such dividend. With respect to any Fundamental Change, Holders who do not submit shares of Mandatory Convertible Preferred Stock for conversion during the relevant Fundamental Change Conversion Period will not be entitled to convert their non-submitted shares of Mandatory Convertible Preferred Stock at the relevant Fundamental Change Conversion Rate or to receive the relevant Fundamental Change Dividend Make-whole Amount or the relevant Accumulated Dividend Amount.

(b) On or before the twentieth calendar day prior to the anticipated Fundamental Change Effective Date or, if such prior notice is not practicable, no later than the second Business Day immediately following the actual Fundamental Change Effective Date, a written notice (the “**Fundamental Change Notice**”) shall be sent by or on behalf of the Corporation, by first-class mail, postage prepaid, to the Holders. Such notice shall state:

- (i) the event causing the Fundamental Change;
- (ii) the anticipated Fundamental Change Effective Date or actual Fundamental Change Effective Date, as the case may be;
- (iii) that Holders shall have the right to effect a Fundamental Change Conversion in connection with such Fundamental Change during the Fundamental Change Conversion Period;
- (iv) the Fundamental Change Conversion Period; and
- (v) the instructions a Holder must follow to effect a Fundamental Change Conversion in connection with such Fundamental Change.

If the Corporation notifies Holders of a Fundamental Change later than the twentieth calendar day prior to the Fundamental Change Effective Date of such Fundamental Change, the Fundamental Change Conversion Period shall be extended by a number of days equal to the number of days from, and including, the twentieth calendar day prior to such Fundamental Change Effective Date to, but excluding, the date of such notice; *provided* that the Fundamental Change Conversion Period shall not be extended beyond the Mandatory Conversion Date.

(c) Not later than the second Business Day following the Fundamental Change Effective Date of a Fundamental Change, the Corporation shall notify Holders of:

- (i) the Fundamental Change Conversion Rate;
- (ii) the Fundamental Change Dividend Make-whole Amount and whether the Corporation will pay such amount in cash, Common Shares or a combination thereof, specifying the combination, if applicable; and
- (iii) the Accumulated Dividend Amount as of the Fundamental Change Effective Date and whether the Corporation will pay such amount in cash, Common Shares or a combination thereof, specifying the combination, if applicable.

(d)(i) For any shares of Mandatory Convertible Preferred Stock that are converted during the Fundamental Change Conversion Period, in addition to the Common Shares issued upon conversion at the Fundamental Change Conversion Rate, the Corporation shall at its option:

(A) pay the Holder in cash (computed to the nearest cent), to the extent the Corporation is legally permitted to do so, the present value, computed using a discount rate of 5.375% per annum, of all dividend payments on the Holder's shares of Mandatory Convertible Preferred Stock for all the remaining Dividend Periods (excluding any Accumulated Dividend Amount) from and including such Fundamental Change Effective Date to but excluding the Mandatory Conversion Date (the "**Fundamental Change Dividend Make-whole Amount**");

(B) increase the number of Common Shares to be issued on conversion by a number equal to (x) the Fundamental Change Dividend Make-whole Amount divided by (y) the greater of the Floor Price and 97% of the Fundamental Change Share Price, or

(C) pay the Fundamental Change Dividend Make-whole Amount in a combination of cash and Common Shares in accordance with the provisions of clauses (A) and (B) immediately above.

(ii) In addition, to the extent that the Accumulated Dividend Amount exists as of the Fundamental Change Effective Date, Holders who convert shares of Mandatory Convertible Preferred Stock within the Fundamental Change Conversion Period will be entitled to receive such Accumulated Dividend Amount upon conversion. The Accumulated Dividend Amount will be payable, at the Corporation's election, in:

(A) cash (computed to the nearest cent), to the extent the Corporation is legally permitted to do so,

(B) an additional number of Common Shares equal to (x) the Accumulated Dividend Amount divided by (y) the greater of the Floor Price and 97% of the Fundamental Change Share Price, or

(C) a combination of cash and Common Shares in accordance with the provisions of clauses (A) and (B) immediately above.

(iii) The Corporation shall pay the Fundamental Change Dividend Make-whole Amount and the Accumulated Dividend Amount in cash (computed to the nearest cent), except to the extent the Corporation elects on or prior to the second Business Day following the Fundamental Change Effective Date of a Fundamental Change to make all or any portion of such payments in Common Shares. If the Corporation elects to deliver Common Shares in respect of all or any portion of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount, to the extent that the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount or any portion thereof paid in Common Shares exceeds the product of the number of additional shares of Common Stock the Corporation delivers in respect thereof and 97% of the Fundamental Change Share Price, the Corporation shall, if it is legally able to do so, pay such excess amount in cash (computed to the nearest cent). No such payment in cash may be made if the payment is not permitted by the Corporation's then existing debt instruments.

(iv) No fractional Common Shares shall be delivered by the Corporation to converting Holders in respect of the Fundamental Change Dividend Make-whole Amount or the Accumulated Dividend Amount. A cash adjustment (computed to the nearest cent) shall be paid by the Corporation to each Holder that would otherwise be entitled to receive a fraction of a Common Share based on the Average VWAP per Common Share over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the relevant Conversion Date.

SECTION 10. *Conversion Procedures.*

(a) Pursuant to Section 7, on the Mandatory Conversion Date, any outstanding shares of Mandatory Convertible Preferred Stock shall automatically convert into Common Shares. The person or persons entitled to receive the Common Shares issuable upon Mandatory Conversion of the Mandatory Convertible Preferred Stock shall be treated as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the Mandatory Conversion Date. Except as provided under Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time, on the Mandatory Conversion Date, the Common Shares issuable upon conversion of the Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose and Holders shall have no rights with respect to such Common Shares, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the Common Shares, by virtue of holding the Mandatory Convertible Preferred Stock.

(b) To effect an Early Conversion pursuant to Section 8, a Holder who

(i) holds a beneficial interest in a Global Preferred Share must deliver to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program and, if required, pay all transfer or similar taxes or duties, if any; or

(ii) holds shares of Mandatory Convertible Preferred Stock in definitive, certificated form must:

(A) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(B) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(C) if required, furnish appropriate endorsements and transfer documents; and

(D) if required, pay all transfer or similar taxes or duties, if any.

The Early Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (“**Early Conversion Date**”). A Holder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Holder. A certificate representing the Common Shares issuable upon conversion shall be issued and delivered to the converting Holder or, if the shares of Mandatory Convertible Preferred Stock being converted are in book-entry form, the Common Shares issuable upon conversion shall be delivered to the converting Holder through book-entry transfer through the facilities of the Depository, in each case together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, on the latest of (i) the third Business Day immediately succeeding the Early Conversion Date, (ii) the third Business Day immediately succeeding the last day of the Early Conversion Settlement Period and (iii) the Business Day after the Holder has paid in full all applicable taxes and duties, if any.

The person or persons entitled to receive the Common Shares issuable upon Early Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Early Conversion Date. Except as set forth in Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time on such applicable Early Conversion Date, the Common Shares issuable upon conversion of any Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to such Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares) by virtue of holding Mandatory Convertible Preferred Stock.

In the event that an Early Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock constituting fewer than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Early Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Early Conversion was not effected, or, if the shares of Mandatory Convertible Preferred Stock are held in book-entry form, the Corporation shall cause the Transfer Agent and Registrar to reduce the number of shares of Mandatory Convertible Preferred Stock represented by the global certificate by making a notation on Schedule I attached to the global certificate or otherwise notate such reduction in the register maintained by such Transfer Agent and Registrar.

(c) To effect a Fundamental Change Conversion pursuant to Section 9, a Holder who

(i) holds a beneficial interest in a Global Preferred Share must deliver to DTC the appropriate instruction form for conversion pursuant to DTC’s conversion program and, if required, pay all transfer or similar taxes or duties, if any; or

(ii) holds shares of Mandatory Convertible Preferred Stock in definitive, certificated form must:

(A) complete and manually sign the conversion notice on the back of the Mandatory Convertible Preferred Stock certificate or a facsimile of such conversion notice;

(B) deliver the completed conversion notice and the certificated shares of Mandatory Convertible Preferred Stock to be converted to the Conversion and Dividend Disbursing Agent;

(C) if required, furnish appropriate endorsements and transfer documents; and

(D) if required, pay all transfer or similar taxes or duties, if any.

The Fundamental Change Conversion shall be effective on the date on which a Holder has satisfied the foregoing requirements, to the extent applicable (the “**Fundamental Change Conversion Date**”). A Holder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Holder exercises its conversion rights, but such Holder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Holder. A certificate representing the Common Shares issuable upon conversion shall be issued and delivered to the converting Holder or, if the shares of Mandatory Convertible Preferred Stock

being converted are in book-entry form, the Common Shares issuable upon conversion shall be delivered to the converting Holder through book-entry transfer through the facilities of the Depository, in each case together with delivery by the Corporation to the converting Holder of any cash to which the converting Holder is entitled, on the later of the third Business Day immediately succeeding the Fundamental Change Conversion Date and the Business Day after the Holder has paid in full all applicable taxes and duties, if any.

The person or persons entitled to receive the Common Shares issuable upon such Fundamental Change Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Fundamental Change Conversion Date. Except as set forth in Section 13(c)(iii) and Section 13(c)(v), prior to 5:00 p.m., New York City time on such applicable Fundamental Change Conversion Date, the Common Shares issuable upon conversion of any shares of Mandatory Convertible Preferred Stock shall not be deemed to be outstanding for any purpose, and Holders shall have no rights with respect to the Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares) by virtue of holding Mandatory Convertible Preferred Stock.

In the event that a Fundamental Change Conversion is effected with respect to shares of Mandatory Convertible Preferred Stock constituting fewer than all the shares of Mandatory Convertible Preferred Stock held by a Holder, upon such Fundamental Change Conversion the Corporation shall execute and instruct the Registrar and Transfer Agent to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Mandatory Convertible Preferred Stock as to which Fundamental Change Conversion was not effected, or, if the shares of Mandatory Convertible Preferred Stock are held in book-entry form, the Corporation shall cause the Transfer Agent and Registrar to reduce the number of shares of Mandatory Convertible Preferred Stock represented by the global certificate by making a notation on Schedule I attached to the global certificate or otherwise notate such reduction in the register maintained by such Transfer Agent and Registrar.

(d) In the event that a Holder shall not by written notice designate the name in which Common Shares to be issued upon conversion of shares of Mandatory Convertible Preferred Stock should be registered or, if applicable, the address to which the certificate or certificates representing such Common Shares should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the Holder as shown on the records of the Corporation and, if applicable, to send the certificate or certificates representing such Common Shares to the address of such Holder shown on the records of the Corporation.

(e) Converted shares of Mandatory Convertible Preferred Stock shall cease to be outstanding on the applicable Conversion Date, subject to the right of Holders of such shares to receive Common Shares issuable upon conversion of such shares of Mandatory Convertible Preferred Stock and other amounts and Common Shares, if any, to which they are entitled pursuant to Sections 7, 8 or 9, as applicable and, if the applicable Conversion Date occurs after the Record Date for a declared dividend and prior to the immediately succeeding Dividend Payment Date, subject to the right of the Record Holders of such shares on such Record Date to receive payment of such declared dividend on such Dividend Payment Date pursuant to Section 3.

SECTION 11. *Reservation of Common Shares.*

(a) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Shares, solely for issuance upon the conversion of Mandatory Convertible Preferred Stock as herein provided, free from any preemptive or other similar rights, a number of Common Shares equal to the product of the Maximum Conversion Rate then in effect and the number of shares of Mandatory Convertible Preferred Stock then outstanding. For purposes of this Section 11(a), the number of Common Shares that shall be deliverable upon the conversion of all outstanding shares of Mandatory Convertible Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(b) All Common Shares delivered upon conversion of shares of Mandatory Convertible Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(c) Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of shares of Mandatory Convertible Preferred Stock, the Corporation shall use reasonable best efforts to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(d) The Corporation hereby covenants and agrees that, if at any time the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Corporation shall, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Shares issuable upon conversion of, or issuable in respect of the payment of dividends, the Acquisition Termination Make-whole Amount, the Accumulated Dividend Amount or the Fundamental Change Dividend Make-whole Amount on, the Mandatory Convertible Preferred Stock.

SECTION 12. *Fractional Shares.*

(a) No fractional Common Shares shall be issued as a result of any conversion of Mandatory Convertible Preferred Stock.

(b) In lieu of any fractional Common Share otherwise issuable in respect of any mandatory conversion pursuant to Section 7 or a conversion at the option of the Holder pursuant to Section 8 or Section 9, the Corporation shall pay an amount in cash (computed to the nearest cent) equal to the product of (i) that same fraction and (ii) the Average VWAP of the Common Shares over the five consecutive Trading Day period beginning on, and including, the seventh Scheduled Trading Day immediately preceding the Mandatory Conversion Date, Fundamental Change Conversion Date or Early Conversion Date, as applicable.

(c) If more than one share of Mandatory Convertible Preferred Stock is surrendered for conversion at one time by or for the same Holder, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Mandatory Convertible Preferred Stock so surrendered.

SECTION 13. *Anti-Dilution Adjustments to the Fixed Conversion Rates.*

(a) Each Fixed Conversion Rate shall be subject to the following adjustments:

(i) *Stock Dividends and Distributions.* If the Corporation issues Common Shares to all holders of Common Shares as a dividend or other distribution, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such dividend or other distribution shall be divided by a fraction:

- (A) the numerator of which is the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination, and
- (B) the denominator of which is the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the total number of Common Shares constituting such dividend or other distribution.

Subject to the provisions of Section 13(a)(iv)(E), any adjustment made pursuant to this clause (i) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. If any dividend or distribution described in this clause (i) is declared but not so paid or made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to make such dividend or distribution, to such Fixed Conversion Rate that would be in effect if such dividend or distribution had not been declared. For the purposes of this clause (i), the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination shall not include any Direct Treasury Shares but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not pay any dividend or make any other distribution on Common Shares that are Direct Treasury Shares.

(ii) *Issuance of Stock Purchase Rights.* If the Corporation issues to all holders of Common Shares rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans), entitling such holders, for a period of up to 45 calendar days from the date of issuance of such rights or warrants, to subscribe for or purchase Common Shares at a price per share less than the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such rights or warrants shall be increased by multiplying such Fixed Conversion Rate by a fraction:

- (A) the numerator of which is the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares issuable pursuant to such rights or warrants, and
- (B) the denominator of which shall be the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares equal to the the aggregate offering price payable to exercise such rights or warrants divided by the Current Market Price.

Subject to the provisions of Section 13(a)(iv)(E), any adjustment made pursuant to this clause (ii) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. In the event that such rights or warrants described in this clause (ii) are not so issued, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to issue such rights or warrants, to such Fixed Conversion Rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or Common Shares are otherwise not

delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, each Fixed Conversion Rate shall be readjusted to such Fixed Conversion Rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of Common Shares actually delivered. In determining whether any rights or warrants entitle the holders thereof to subscribe for or purchase Common Shares at less than the Current Market Price, and in determining the aggregate offering price payable to exercise such rights or warrants, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined in good faith by the Board of Directors, which determination shall be final). For the purposes of this clause (ii), the number of Common Shares at the time outstanding shall not include any Direct Treasury Shares but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. For so long as any shares of Mandatory Convertible Preferred Stock are outstanding, the Corporation shall not issue any such rights or warrants in respect of Common Shares that are Direct Treasury Shares.

(iii) *Subdivisions and Combinations of the Common Shares.* If outstanding Common Shares shall be subdivided into a greater number of Common Shares or combined into a lesser number of Common Shares, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the effective date of such subdivision or combination shall be multiplied by a fraction:

- (A) the numerator of which is the number of Common Shares that would be outstanding immediately after, and solely as a result of, such subdivision or combination, and
- (B) the denominator of which is the number of Common Shares outstanding immediately prior to such subdivision or combination.

Any adjustment made pursuant to this clause (iii) shall become effective immediately after 5:00 p.m., New York City time, on the effective date of such subdivision or combination.

(iv) *Debt or Asset Distribution.*

(A) If the Corporation distributes to all holders of Common Shares evidences of its indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets (excluding (1) any dividend or distribution covered by Section 13(a)(i), (2) any rights or warrants covered by Section 13(a)(ii), (3) any dividend or distribution covered by Section 13(a)(v) and (4) any Spin-Off to which the provisions set forth in Section 13(a)(iv)(B) apply), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

- (1) the numerator of which is the Current Market Price, and
- (2) the denominator of which is the Current Market Price minus the Fair Market Value, on such date fixed for determination, of the portion of the evidences of indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets so distributed applicable to one Common Share.

(B) In the case of a Spin-Off, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

- (1) the numerator of which is the sum of (x) the Current Market Price of the Common Shares and (y) the Fair Market Value of the portion of those shares of capital stock or similar equity interests so distributed that is applicable to one Common Share as of the 15th Trading Day after the effective date for such distribution (or, if such shares of capital stock or equity interests are listed on a national or regional securities exchange, the Current Market Price of such securities), and
- (2) the denominator of which is the Current Market Price of the Common Shares.

(C) Any adjustment made pursuant to this clause (iv) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such distribution. In the event that such distribution described in this clause (iv) is not so made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to make such distribution, to such Fixed Conversion Rate that would then be in effect if such

distribution had not been declared. If an adjustment to each Fixed Conversion Rate is required under this clause (iv) during any settlement period or Early Conversion Settlement Period in respect of shares of Mandatory Convertible Preferred Stock that have been tendered for conversion, delivery of the Common Shares issuable upon conversion shall be delayed to the extent necessary in order to complete the calculations provided for in this clause (iv).

- (D) For purposes of this clause (iv) (and subject in all respects to clause (ii)), rights, options or warrants distributed by the Corporation to all holders of its Common Shares entitling them to subscribe for or purchase shares of the Corporation's capital stock, including, but not limited to, Common Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Common Shares, shall be deemed not to have been distributed for purposes of this clause (iv) (and no adjustment to the Conversion Rate under this clause (iv) shall be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Fixed Conversion Rates shall be made under this clause (iv).

If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the Initial Issue Date, is subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and the date fixed for the determination of the holders of Common Shares entitled to receive such distribution with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Fixed Conversion Rates under this clause (iv) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Fixed Conversion Rates shall be readjusted as if such rights, options or warrants had not been issued and (y) the Fixed Conversion Rates shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder or holders of Common Shares with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Fixed Conversion Rates shall be readjusted as if such rights, options and warrants had not been issued. For purposes of clause (1) of the immediately preceding sentence, any rights that have become void by reason of the actions or status of the holder(s) thereof shall not be included in determining whether all rights have been redeemed or purchased.

- (E) For purposes of clause (i), clause (ii) and this clause (iv), if any dividend or distribution to which this clause (iv) is applicable includes one or both of:

(A) a dividend or distribution of Common Shares to which clause (i) is applicable (the "**Clause I Distribution**"); or

(B) an issuance of rights or warrants to which clause (ii) is applicable (the "**Clause II Distribution**"),

then (1) such dividend or distribution, other than the Clause I Distribution, if any, and the Clause II Distribution, if any, shall be deemed to be a dividend or distribution to which this clause (iv) is applicable (the "**Clause IV Distribution**") and any Fixed Conversion Rate adjustment required by this clause (iv) with respect to such Clause IV Distribution shall then be made, and (2) the Clause I Distribution, if any, and Clause II Distribution, if any, shall be deemed to immediately follow the Clause IV Distribution and any Fixed Conversion Rate adjustment required by clause (i) and clause (ii) with respect thereto shall then be made, except that, if determined by the Corporation (I) the date fixed for determination of the holders of Common Shares entitled to receive any Clause I Distribution or Clause II Distribution shall be deemed to be the date fixed for the determination of holders of Common Shares entitled to receive the Clause IV Distribution and (II) any Common Shares included in any Clause I Distribution or Clause II Distribution shall be deemed not to be "outstanding at 5:00 p.m., New York City time, on the date fixed for such determination" within the meaning of clauses (i) and (ii).

(v) *Cash Distributions.* If the Corporation distributes an amount consisting exclusively of cash to all holders of Common Shares other than a regular, quarterly cash dividend that does not exceed \$0.03 per Common Share (the “**Initial Dividend Threshold**”) (excluding (1) any cash that is distributed in a Reorganization Event to which Section 13(e) applies, (2) any dividend or other distribution in connection with the voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (3) any consideration payable as part of a tender or exchange offer by the Corporation or any subsidiary of the Corporation covered by Section 13(a)(vi)), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such dividend or other distribution shall be multiplied by a fraction:

- (1) the numerator of which is the Current Market Price minus the Initial Dividend Threshold (provided that if the distribution is not a regular quarterly cash dividend, the Initial Dividend Threshold will be deemed to be zero), and
- (2) the denominator of which is the Current Market Price minus the amount per Common Share of such dividend or other distribution.

The Initial Dividend Threshold is subject to adjustment in a manner inversely proportional to adjustments to the Fixed Conversion Rates; provided that no adjustment will be made to the Initial Dividend Threshold for any adjustment to the Fixed Conversion Rates pursuant to this clause (v).

Any adjustment made pursuant to this clause (v) shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such dividend or other distribution. In the event that any distribution described in this clause (v) is not so paid or made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or make such distribution, to such Fixed Conversion Rate which would then be in effect if such distribution had not been declared.

(vi) *Self Tender Offers and Exchange Offers.* If the Corporation or any subsidiary of the Corporation successfully completes a tender or exchange offer pursuant to a Schedule TO or registration statement on Form S-4 for Common Shares (excluding any securities convertible or exchangeable for Common Shares), where the cash and the value of any other consideration included in the payment per Common Share exceeds the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date of expiration of the tender or exchange offer (the “**Expiration Date**”) shall be multiplied by a fraction:

- (A) the numerator of which shall be equal to the sum of:
 - (1) the aggregate cash and Fair Market Value on the Expiration Date of any other consideration paid or payable for Common Shares purchased in such tender or exchange offer; and
 - (2) the product of (I) the Current Market Price and (II) (A) the number of Common Shares outstanding at the time such tender or exchange offer expires less (B) any purchased Common Shares; and
- (B) the denominator of which shall be equal to the product of (I) the Current Market Price and (II) the number of Common Shares outstanding at the time such tender or exchange offer expires, including any purchased Common Shares.

Any adjustment made pursuant to this clause (vi) shall become effective immediately after 5:00 p.m., New York City time, on the 10th Trading Day immediately following the Expiration Date but will be given effect as of 9:00 a.m., New York City time, on the Expiration Date. In the event that the Corporation or one of its subsidiaries is obligated to purchase Common Shares pursuant to any such tender offer or exchange offer, but the Corporation or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then each Fixed Conversion Rate shall be readjusted to be such Fixed Conversion Rate that would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this clause (vi) to any tender offer or exchange offer would result in a decrease in each Fixed Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this clause (vi). If an adjustment to each Fixed Conversion Rate is required pursuant to this clause (vi) during any settlement period or Early Conversion Settlement Period in respect of shares of Mandatory Convertible Preferred Stock that have been tendered for conversion, delivery of the related conversion consideration shall be delayed to the extent necessary in order to complete the calculations provided for in this clause (vi).

- (vii) *Fair Market Value in Excess of Current Market Price.* Except with respect to a Spin-Off, in cases as to which Section 13(a)(iv) or Section 13(a)(v) applies where the Fair Market Value of the evidences of the Corporation's indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets applicable to one Common Share distributed to holders of Common Shares equals or exceeds the Current Market Price (as determined for purposes of calculating the conversion rate adjustment pursuant to Section 13(a)(iv) or Section 13(a)(v)), rather than being entitled to an adjustment in each Fixed Conversion Rate, Holders shall be entitled to receive upon conversion, in addition to a number of Common Shares otherwise deliverable on the applicable Conversion Date, the kind and amount of the evidences of the Corporation's indebtedness, shares of capital stock, securities, rights to acquire the Corporation's capital stock, cash or other assets comprising the distribution that such Holder would have received if such Holder had owned immediately prior to the record date for determining the holders of Common Shares entitled to receive the distribution, for each share of Mandatory Convertible Preferred Stock, a number of Common Shares equal to the Maximum Conversion Rate in effect on the date of such distribution.
- (viii) *Rights Plans.* To the extent that the Corporation has a rights plan in effect with respect to the Common Shares on any Conversion Date, upon conversion of any shares of Mandatory Convertible Preferred Stock, converting Holders shall receive, in addition to the Common Shares, the rights under such rights plan, unless, prior to such Conversion Date, the rights have separated from the Common Shares, in which case each Fixed Conversion Rate shall be adjusted at the time of separation of such rights as if the Corporation made a distribution to all holders of the Common Shares as described in Section 13(a)(iv), subject to readjustment in the event of the expiration, termination or redemption of such rights. Any distribution of rights or warrants pursuant to a rights plan that would allow Holders to receive upon conversion, in addition to any Common Shares, the rights described therein (unless such rights or warrants have separated from Common Shares) shall not constitute a distribution of rights or warrants that would entitle Holders to an adjustment to the Fixed Conversion Rates.

(b) *Adjustment for Tax Reasons.* The Corporation may make such increases in each Fixed Conversion Rate, in addition to any other increases required by this Section 13, as the Corporation deems advisable to avoid or diminish any income tax to holders of the Common Shares resulting from any dividend or distribution of Common Shares (or issuance of rights or warrants to acquire Common Shares) or from any event treated as such for income tax purposes or for any other reasons; *provided* that the same proportionate adjustment must be made to each Fixed Conversion Rate.

(c) *Calculation of Adjustments; Adjustments to Threshold Appreciation Price, Initial Price and Fundamental Change Share Price.*

(i) All adjustments to each Fixed Conversion Rate shall be calculated to the nearest 1/10,000th of a Common Share. Prior to the Mandatory Conversion Date, no adjustment in a Fixed Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein. If any adjustment by reason of this Section 13(c)(i) is not required to be made, such adjustment shall be carried forward and taken into account in any subsequent adjustment; *provided*, however, that on the earlier of the Mandatory Conversion Date, an Acquisition Termination Redemption Date, an Early Conversion Date and a Fundamental Change Effective Date, adjustments to each Fixed Conversion Rate shall be made with respect to any such adjustment carried forward that has not been taken into account before such date.

(ii) If an adjustment is made to the Fixed Conversion Rates pursuant to Sections 13(a) or 13(b), an inversely proportional adjustment shall also be made to the Threshold Appreciation Price and the Initial Price solely for purposes of determining which of clauses (i), (ii) and (iii) of Section 7(b) shall apply on the Mandatory Conversion Date. Such adjustment shall be made by dividing each of the Threshold Appreciation Price and the Initial Price by a fraction, the numerator of which shall be either Fixed Conversion Rate immediately after such adjustment pursuant to Sections 13(a) or 13(b) and the denominator of which shall be such Fixed Conversion Rate immediately before such adjustment. Whenever any provision of the Statement with Respect to Shares requires the Corporation or the Board of Directors to calculate the VWAP per Common Share over a span of multiple days, the Board of Directors shall make appropriate adjustments (including, without limitation, to the Applicable Market Value, the Early Conversion Average Price, the Stock Price and the Average Price (as the case may be)) to account for any adjustments to the Initial Price, the Threshold Appreciation Price, the Floor Price and the Fixed Conversion Rates (as the case may be) that become effective, or any event that would require such an adjustment if the Ex-Date, Effective Date or Expiration Date (as the case may be) of such event occurs, during the relevant period used to calculate such prices or values (as the case may be).

(iii) If:

(A) the record date for a dividend or distribution on Common Shares occurs after the end of the 20 consecutive Trading Day period used for calculating the Applicable Market Value and before the Mandatory Conversion Date; and

(B) such dividend or distribution would have resulted in an adjustment of the number of Common Shares issuable to the Holders had such record date occurred on or before the last Trading Day of such 20 consecutive Trading Day period,

then the Corporation shall deem the Holders to be holders of record, for each share of their Mandatory Convertible Preferred Stock, of a number of Common Shares equal to the Mandatory Conversion Rate for purposes of that dividend or distribution. In this case, the Holders would receive the dividend or distribution on Common Shares together with the number of Common Shares issuable upon the Mandatory Conversion Date.

(iv) If an adjustment is made to the Fixed Conversion Rates pursuant to Sections 13(a) or 13(b), a proportional adjustment shall be made to each Fundamental Change Share Price column heading set forth in the table included in the definition of "Fundamental Change Conversion Rate" as of the day on which the Fixed Conversion Rates are so adjusted. Such adjustment shall be made by multiplying each Fundamental Change Share Price included in such table, applicable immediately prior to such adjustment, by a fraction, the numerator of which is the Minimum Conversion Rate immediately prior to the adjustment giving rise to such Fundamental Change Share Price adjustment, and the denominator of which is the Minimum Conversion Rate as so adjusted.

(v) No adjustment to the Fixed Conversion Rates shall be made if Holders may participate, at the same time, upon the same terms and otherwise on the same basis as holders of Common Stock and solely as a result of holding Mandatory Convertible Preferred Stock, in the transaction that would otherwise give rise to an adjustment as if they held, for each share of Mandatory Convertible Preferred Stock, a number of Common Shares equal to the Maximum Conversion Rate then in effect. In addition, the Fixed Conversion Rates shall not be adjusted:

(A) upon the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Corporation's securities and the investment of additional optional amounts in Common Stock under any plan;

(B) upon the issuance of any Common Shares or rights or warrants to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Corporation or any of its subsidiaries;

(C) upon the issuance of any Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Initial Issue Date;

(D) for a change solely in the par value of the Common Stock;

(E) for stock repurchases that are not tender offers, including structured or derivative transactions; or

(F) for accumulated and unpaid dividends on the Mandatory Convertible Preferred Stock, except as provided under Sections 7, 8 and 9.

(d) *Notice of Adjustment.* Whenever the Fixed Conversion Rates and the Fundamental Change Conversion Rates set forth in the table in the definition of "Fundamental Change Conversion Rate" are to be adjusted, the Corporation shall:

(i) compute such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates, the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based;

(ii) as soon as practicable following the occurrence of an event that requires an adjustment to the Fixed Conversion Rates and the Fundamental Change Conversion Rates, provide, or cause to be provided, a written notice to the Holders of the occurrence of such event; and

(iii) within 10 Business Days following the determination of such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates provide, or cause to be provided, to the Holders a statement setting forth in reasonable detail the method by which the adjustments to the Fixed Conversion Rates and Fundamental Change Conversion Rates were determined and setting forth such adjusted Fixed Conversion Rates and Fundamental Change Conversion Rates.

(e) *Reorganization Events*. In the event of:

- (i) any consolidation or merger of the Corporation with or into another Person (other than a merger or consolidation in which the Corporation is the continuing corporation and in which the Common Shares outstanding immediately prior to the merger or consolidation are not exchanged for cash, securities or other property of the Corporation or another Person);
- (ii) any sale, transfer, lease or conveyance to another Person of all or substantially all of the property and assets of the Corporation;
- (iii) any reclassification of Common Shares into securities including securities other than Common Shares; or
- (iv) any statutory exchange of securities of the Corporation with another Person (other than in connection with a merger or acquisition),

in each case, as a result of which the Common Shares would be converted into, or exchanged for, securities, cash or other property (each, a “**Reorganization Event**”), each share of Mandatory Convertible Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of the Holders, become convertible into the kind of securities, cash and other property that such Holder would have been entitled to receive if such Holder had converted its Mandatory Convertible Preferred Stock into Common Shares immediately prior to such Reorganization Event (such securities, cash and other property, the “**Exchange Property**,” with each “**Unit of Exchange Property**” meaning the kind and amount of such Exchange Property that a Holder of one Common Share is entitled to receive). For purposes of the foregoing, the type and amount of Exchange Property in the case of any Reorganization Event that causes the Common Stock to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election) shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election (or of all holders of Common Shares if none makes an election). The Corporation shall notify Holders of the weighted average as soon as practicable after such determination is made. The number of Units of Exchange Property for each share of Mandatory Convertible Preferred Stock converted following the effective date of such Reorganization Event shall be determined as if references in Section 7, Section 8 and Section 9 to Common Shares were to Units of Exchange Property (without any interest thereon and without any right to dividends or distributions thereon which have a record date that is prior to such Conversion Date, except as provided in Section 13(a)(vii), Section 13(c)(iii) and Section 13(c)(v)). For the purpose of determining which of clauses (i), (ii) and (iii) of Section 7(b) shall apply upon Mandatory Conversion, and for the purpose of calculating the Mandatory Conversion Rate if clause (ii) of Section 7(b) is applicable, the value of a Unit of Exchange Property shall be determined in good faith by the Board of Directors (which determination will be final), except that if a Unit of Exchange Property includes common stock or American Depositary Receipts (“**ADRs**”) that are traded on a U.S. national securities exchange, the value of such common stock or ADRs shall be the average over the 20 consecutive Trading Day period ending on, and including, the third Trading Day immediately preceding the Mandatory Conversion Date of the volume weighted average prices for such common stock or ADRs, as displayed on the applicable Bloomberg screen (as determined in good faith by the Board of Directors (which determination will be final)); or, if such price is not available, the average market value per share of such common stock or ADRs over such period as determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

The above provisions of this Section 13(e) shall similarly apply to successive Reorganization Events and the provisions of Section 13 shall apply to any shares of capital stock or ADRs of the Corporation (or any successor thereto) received by the holders of Common Shares in any such Reorganization Event.

The Corporation (or any successor thereto) shall, as soon as reasonably practicable (but in any event within 20 calendar days) after the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence and of the kind and amount of the cash, securities or other property that constitute the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section 13(e).

SECTION 14. *Transfer Agent, Registrar, and Conversion, Dividend Disbursing and Redemption Agent.* The duly appointed Transfer Agent and Registrar for the Mandatory Convertible Preferred Stock shall be Computershare Trust Company, N.A., and the Conversion Agent, Dividend Disbursing Agent, and Redemption Agent for the Mandatory Convertible Preferred Stock shall be Computershare Inc. The Corporation may, in its sole discretion, remove the Transfer Agent, Registrar or Conversion Agent, Dividend Disbursing Agent and Redemption Agent in accordance with the agreement between the Corporation and the Transfer Agent, Registrar or Conversion Agent, Dividend Disbursing Agent and Redemption Agent, as the case may be; *provided* that if the Corporation removes Computershare Trust Company, N.A. or Computershare Inc., the Corporation shall appoint a successor transfer agent, registrar or conversion, dividend disbursing and redemption agent, as the case may be, who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof by first-class mail, postage prepaid, to the Holders.

SECTION 15. *Record Holders.* To the fullest extent permitted by applicable law, the Corporation and the Transfer Agent may deem and treat the Holder of any share of Mandatory Convertible Preferred Stock as the true and lawful owner thereof for all purposes.

SECTION 16. *Notices.* All notices or communications in respect of the Mandatory Convertible Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in the Statement with Respect to Shares, in the Articles of Incorporation or the By-laws and by applicable law. Notwithstanding the foregoing, if shares of Mandatory Convertible Preferred Stock are represented by Global Preferred Shares, such notices may also be given to the Holders in any manner permitted by DTC or any similar facility used for the settlement of transactions in the shares of Mandatory Convertible Preferred Stock.

SECTION 17. *No Preemptive Rights.* The Holders shall have no preemptive or preferential rights to purchase or subscribe for any stock, obligations, warrants or other securities of the Corporation of any class.

SECTION 18. *Other Rights.* The shares of the Mandatory Convertible Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation or as provided by applicable law.

SECTION 19. *Share Certificates.*

(a) Shares of Mandatory Convertible Preferred Stock shall initially be represented by share certificates substantially in the form set forth as Exhibit A hereto.

(b) Share certificates representing shares of the Mandatory Convertible Preferred Stock shall be signed in accordance with the By-laws and applicable Pennsylvania law, by manual or facsimile signature.

(c) A share certificate representing shares of the Mandatory Convertible Preferred Stock shall not be valid until manually countersigned by an authorized signatory of the Transfer Agent and Registrar. Each share certificate representing shares of the Mandatory Convertible Preferred Stock shall be dated the date of its countersignature.

(d) If any Officer of the Corporation who has signed a share certificate no longer holds that office at the time the Transfer Agent and Registrar countersigns the stock certificate, the share certificate shall be valid nonetheless.

(e) The Corporation may at its option issue shares of Mandatory Convertible Preferred Stock without certificates under the circumstances specified in Section 21(d).

SECTION 20. *Replacement Certificates.*

(a) If physical certificates are issued, and any of the Mandatory Convertible Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Corporation shall, at the expense of the Holder, issue, in exchange and in substitution for and upon cancellation of the mutilated Mandatory Convertible Preferred Stock certificate, or in lieu of and substitution for the Mandatory Convertible Preferred Stock certificate lost, stolen or destroyed, a new Mandatory Convertible Preferred Stock certificate of like tenor and representing an equivalent Liquidation Preference of Mandatory Convertible Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Mandatory Convertible Preferred Stock certificate and indemnity, if requested, reasonably satisfactory to the Corporation and the Transfer Agent.

(b) The Corporation is not required to issue any certificate representing the Mandatory Convertible Preferred Stock on or after the Mandatory Conversion Date. In lieu of the delivery of a replacement certificate following the Mandatory Conversion Date, the Transfer Agent, upon delivery of the evidence and indemnity described above, shall deliver the Common Shares issuable and any cash deliverable pursuant to the terms of the Mandatory Convertible Preferred Stock formerly evidenced by the certificate.

SECTION 21. *Book Entry Form.*

(a) Shares of Mandatory Convertible Preferred Stock shall be issued in global form (“**Global Preferred Shares**”) eligible for book-entry settlement with the Depositary, represented by one or more stock certificates in global form registered in the name of the Depositary or a nominee of the Depositary bearing the form of global securities legend set forth in Exhibit A. The aggregate number of shares of Mandatory Convertible Preferred Stock represented by each stock certificate representing Global Preferred Shares may from time to time be increased or decreased by a notation by the Registrar and Transfer Agent on Schedule I attached to the stock certificate.

(b) Members of, or participants in, the Depositary (“**Agent Members**”) shall have no rights under the Statement with Respect to Shares, with respect to any Global Preferred Shares, and the Depositary shall be treated by the Corporation, the Registrar and any agent of the Corporation or the Registrar as the absolute owner of the Mandatory Convertible Preferred Stock held as Global Preferred Shares. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any shares of Mandatory Convertible Preferred Stock. The Holders may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Mandatory Convertible Preferred Stock, the Statement with Respect to Shares, or the Articles of Incorporation.

(c) Transfers of a Global Preferred Share shall be limited to transfers of such Global Preferred Share in whole, but not in part, to nominees of the Depositary or to a successor of the Depositary or such successor’s nominee.

(d) If DTC is at any time unwilling or unable to continue as Depositary for the Global Preferred Shares or DTC ceases to be registered as a “clearing agency” under the Exchange Act, and in either case a successor Depositary is not appointed by the Corporation within 90 days, the Corporation shall issue certificated shares in exchange for the Global Preferred Shares or otherwise provide for alternate book-entry arrangements with respect to the Mandatory Convertible Preferred Stock. In any such case, the Global Preferred Shares shall be exchanged in whole for definitive stock certificates, in substantially the form attached hereto as Exhibit A, representing an equal aggregate Liquidation Preference or otherwise exchanged pursuant to such alternate book-entry arrangements providing for beneficial interests of an equal aggregate Liquidation Preference. If definitive stock certificates are issued pursuant to this Section 21(d), such definitive stock certificates shall be registered in the name or names of the Person or Persons specified by DTC in a written instrument to the Registrar.

SECTION 22. *Miscellaneous*

(a) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Mandatory Convertible Preferred Stock or Common Shares or other securities issued on account of shares of Mandatory Convertible Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of Common Shares or other securities in a name other than that in which the shares of Mandatory Convertible Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, and shall not be required to make any such issuance or delivery unless and until the Person otherwise entitled to such issuance or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(b) The Liquidation Preference and the Dividend Rate each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Mandatory Convertible Preferred Stock. Such adjustments shall be determined in good faith by the Board of Directors and submitted by the Board of Directors to the Transfer Agent.

[FORM OF FACE OF CLASS B MANDATORY CONVERTIBLE PREFERRED STOCK, SERIES 1 CERTIFICATE]

[INCLUDE FOR GLOBAL PREFERRED SHARES]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE CORPORATION OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE.

Certificate Number [Initial] Number of shares of Mandatory Convertible Preferred Stock: []

CUSIP: [ADD] ISIN: [ADD]

Alcoa Inc.

5.375% Class B Mandatory Convertible Preferred Stock, Series 1 (par value \$1.00 per share) (Liquidation Preference as specified below)

Alcoa, Inc., a Pennsylvania corporation (the “Corporation”), hereby certifies that [] (the “Holder”), is the registered owner of [] (the number shown on Schedule I hereto of) fully paid and non-assessable shares of the Corporation’s designated 5.375% Class B Mandatory Convertible Preferred Stock, Series 1, with a par value of \$1.00 per share and a Liquidation Preference of \$500 per share (the “Mandatory Convertible Preferred Stock”). Shares of Mandatory Convertible Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the shares of Mandatory Convertible Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Statement with Respect to Shares establishing the terms of the 5.375% Mandatory Convertible Preferred Stock of Alcoa Inc. dated September 22, 2014, as the same may be amended from time to time (the “Statement with Respect to Shares”), and the other provisions of the Articles of Incorporation of Alcoa Inc., as the same may be amended from time to time. Capitalized terms used herein but not defined shall have the meaning given them in the Statement with Respect to Shares. The Corporation will provide a copy of the Statement with Respect to Shares and the Articles of Incorporation to the Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to the provisions of the Mandatory Convertible Preferred Stock set forth on the reverse hereof and in the Statement with Respect to Shares and the Articles of Incorporation, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Holder is bound by the Statement with Respect to Shares and the Articles of Incorporation and is entitled to the benefits thereunder.

Unless the Transfer Agent and Registrar have properly countersigned, these shares of Mandatory Convertible Preferred Stock shall not be entitled to any benefit under the Statement with Respect to Shares or the Articles of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by two Officers of the Corporation this [] of [], [].

Alcoa Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

COUNTERSIGNATURE

These are shares of the Mandatory Convertible Preferred Stock referred to in the within-mentioned Statement with Respect to Shares.

Dated: [], []

[Computershare Trust Company, N.A.], as
Registrar and Transfer Agent

By: _____
Name:
Title:

Cumulative dividends on each share of Mandatory Convertible Preferred Stock shall be payable at the applicable rate provided in the Statement with Respect to Shares.

The Mandatory Convertible Preferred Stock shall be convertible in the manner and accordance with the terms set forth in the Statement with Respect to Shares.

The Corporation shall furnish without charge to each Holder who so requests a statement of the designations, voting rights, preferences, limitations, and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and the authority of the board of directors to fix and determine the designations, voting rights, preferences, limitations, and special rights of the classes and series of shares of the corporation.

NOTICE OF CONVERSION

(To be Executed by the Holder
in order to Convert the Mandatory Convertible Preferred Stock)

The undersigned hereby irrevocably elects to convert (the "Conversion") [] shares of 5.375% Class B Mandatory Convertible Preferred Stock, Series 1 (the "Mandatory Convertible Preferred Stock"), of Alcoa, Inc. (hereinafter called the "Corporation"), represented by stock certificate No(s). [] (the "Mandatory Convertible Preferred Stock Certificates"), into shares of the common stock, par value \$1.00 per share, of the Corporation (the "Common Stock") according to the conditions of the Statement with Respect to Shares establishing the terms of Mandatory Convertible Preferred Stock (the "Statement with Respect to Shares"), as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto, if any. Each Mandatory Convertible Preferred Stock Certificate (or evidence of loss, theft or destruction thereof) is attached hereto.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in or pursuant to the Statement with Respect to Shares.

Date of Conversion: _____

Applicable Conversion Rate: _____

Number of shares of Mandatory Convertible Preferred Stock to be Converted: _____

Number of Shares of Common Stock to be Issued:* _____

Signature: _____

Name: _____

Address:** _____

Fax No.: _____

* The Corporation is not required to issue shares of Common Stock until the original Mandatory Convertible Preferred Stock Certificate(s) (or evidence of loss, theft or destruction thereof) to be converted are received by the Corporation or the Conversion and Dividend Disbursing Agent.

** Address where shares of Common Stock and any other payments or certificates shall be sent by the Corporation.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Mandatory Convertible Preferred Stock evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Mandatory Convertible Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature: _____
(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Alcoa Inc.

Global Preferred Share
5.375% Class B Mandatory Convertible Preferred Stock, Series 1

Certificate Number:

The number of shares of Mandatory Convertible Preferred Stock initially represented by this Global Preferred Share shall be []. Thereafter the Transfer Agent and Registrar shall note changes in the number of shares of Mandatory Convertible Preferred Stock evidenced by this Global Preferred Share in the table set forth below:

<u>Amount of Decrease in Number of Shares Represented by this Global Preferred Share</u>	<u>Amount of Increase in Number of Shares Represented by this Global Preferred Share</u>	<u>Number of Shares Represented by this Global Preferred Share following Decrease or Increase</u>	<u>Signature of Authorized Officer of Transfer Agent and Registrar</u>
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¹ Attach Schedule I only to Global Preferred Shares.