



## CORPORATE GOVERNANCE GUIDELINES

Alcoa Corporation (“Alcoa” or the “Company”) is a values-based company. Our **Values** guide our behavior at every level and apply across the Company on a global basis. We expect all directors, officers and other employees to conduct business in compliance with our **Business Conduct Policies**, and we survey compliance with these policies on an annual basis. The Board of Directors of Alcoa (the “Board”) has adopted these **Corporate Governance Guidelines** and **our Board committee charters** to promote the effective functioning of the Board, the Board’s committees, and Alcoa’s overall corporate governance practices. All of the highlighted documents are publicly available on our website.

### **Role of the Board of Directors and Director Responsibilities**

The role of the Board is to oversee the affairs of the Company, while the day-to-day operation of the Company is the responsibility of management. The core responsibility of the directors is to exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its stockholders.

Serving on a board requires significant time and attention on the part of directors. Directors should attend and participate in Board meetings, review relevant materials in advance of Board meetings, serve on Board committees and prepare for meetings and discussions with management. Directors are expected to attend the annual meeting of stockholders.

Directors are expected to maintain an attitude of constructive involvement and oversight; they are expected to ask incisive, probing questions and require accurate, honest answers; they are expected to act with integrity and expected to demonstrate a commitment to the Company, its values and its business plan and to long-term stockholder value.

In performing their oversight responsibilities, directors rely on the competence and integrity of management in carrying out their responsibilities. It is the responsibility of management to operate the Company in an effective and ethical manner in order to produce value for stockholders.

### **Director Qualification Standards**

Prospective candidates to the Board, including potential nominees suggested by stockholders, will be identified and evaluated pursuant to the criteria set forth in these Corporate Governance Guidelines, and other objectives and procedures established from time to time by the Board or by its Governance and Nominating Committee.

***Independence.*** A majority of directors must be “independent” under the listing standards of the New York Stock Exchange and Alcoa’s Director Independence Standards, as determined by the Board and attached hereto as Annex A. Providing objective, independent judgment is at the core of the Board’s oversight function, and the Board’s composition should reflect this principle.

***Diversity.*** Directors bring to the Company a range of experience, knowledge and judgment. Directors should not represent the interests of particular constituencies.

***Memberships on Other Boards and Changes in Principal Responsibilities.*** As a general rule, it is advisable that (i) directors who also serve as chief executive officers of, or equivalent positions at, public companies should not serve on more than two boards of public companies in addition to the board of the company at which such director serves as chief executive officer or an equivalent position; and (ii) other directors should not serve on more than four other boards of public companies in addition to the Board, subject to the discretion of the Governance and Nominating Committee. An Audit Committee member should not serve on the audit committees of more than three public companies in accordance with the New York Stock Exchange listing standards.

Directors are expected to notify the Chairman, the Chief Executive Officer and the Secretary before accepting a seat on the board of another business corporation as well as any non-profit or charitable organization, in order to allow Alcoa to conduct a review for potential conflicts and other issues. Directors are also expected to refrain from accepting any such seat if the Governance and Nominating Committee or the Chairman determines such position to be inadvisable and not in the Company's best interests.

Directors who have a substantial change in their principal occupation, whether due to retirement or otherwise, will offer their resignation from the Board, in writing, to the Chairman of the Governance and Nominating Committee or Chairman of the Board. The Governance and Nominating Committee will consider whether the Board should accept the offer of resignation and will make a recommendation to the Board, as to whether the Board should accept the offer of resignation. The Board will consider all factors it deems relevant, including appropriate mix of skills and experience necessary for the Board to perform its oversight function effectively, and make a determination, in its discretion, whether to accept or reject the offer of resignation. Any director who offers to resign shall not participate in the Governance and Nominating Committee's or Board's deliberations and actions regarding whether to accept or reject the offer of resignation.

***Retirement Policy.*** As a general policy, no director should stand for election or re-election to the Board if the director has reached age 75 before the date of election or will reach age 75 during the term for which the director is being considered for nomination unless the Governance and Nominating Committee determines that, as of the date of the director's nomination: (1) the director is serving as a chairman, lead director or similar leadership role in a significant, complex global organization other than Alcoa; or (2) the director is serving as a director of, or is serving in a significant leadership role with, a publicly listed, significant, complex global organization other than Alcoa. Other exceptions to the mandatory retirement policy may be approved by a majority of the Board upon the recommendation of the Governance and Nominating Committee.

## **Board Leadership Structure**

The independent directors will appoint a Chairman. If the Chairman is an independent director, the Chairman will (i) call and chair all meetings of the Board, including executive sessions of the

independent directors; (ii) chair the annual stockholders meeting, (iii) ensure that he or she is available for consultation and direct communication with major stockholders or joint venture partners, as appropriate; (iv) oversee Board governance, including approval of meeting agendas and meeting schedules to assure that all agenda items are adequately addressed; (v) ensure personal availability for consultation and communication with independent directors; (vi) call special meetings of the independent directors, as the Chairman may deem to be appropriate; and (vii) provide guidance and communication to the CEO in matters of strategic importance. The Executive Vice President, General Counsel and Secretary will provide support to the Chairman in fulfilling the Chairman role.

## **Board Committees**

The Board currently has the following committees: Audit, Compensation and Benefits, Governance and Nominating, Public Issues, and Executive. In accordance with New York Stock Exchange listing standards, the Audit, Compensation and Benefits, and Governance and Nominating Committees are composed entirely of independent directors. Audit Committee members must meet additional independence standards under the Securities and Exchange Commission (the “SEC”) and New York Stock Exchange rules. The Board may, from time to time, establish or maintain additional or alternative committees that it determines to be necessary or appropriate.

A brief description of each committee’s duties are as follows:

- **Audit Committee:** The responsibilities of the Audit Committee include (i) assisting the Board in fulfilling its oversight of the integrity of the Company’s financial statements and internal controls, the Company’s compliance with legal and regulatory requirements, the consideration and review of the independent auditors’ qualifications and independence, and the performance of the Company’s internal audit function and independent auditors and (ii) preparing the audit committee report required by the rules of the SEC to be included in the Company’s proxy statement.
- **Compensation and Benefits Committee:** The responsibilities of the Compensation and Benefits Committee include (i) discharging the Board’s responsibilities relating to the compensation of the Company’s officers, (ii) overseeing the administration of the Company’s compensation and benefits plans, and (iii) preparing the compensation committee report required by the rules of the SEC to be included in the Company’s proxy statement.
- **Governance and Nominating Committee:** The responsibilities of the Governance and Nominating Committee include (i) identifying individuals qualified to become Board members and recommending such individuals to the Board for nomination for election to the Board, (ii) making recommendations to the Board regarding director appointments to committees of the Board, (iii) developing, recommending, and annually reviewing these Corporate Governance Guidelines and overseeing corporate governance matters, and (iv) coordinating an annual review of the Board’s performance.

- **Public Issues Committee:** The responsibilities of the Public Issues Committee include (i) providing guidance on matters relating to the Company's corporate social responsibility, including good corporate citizenship, environmental sustainability, health and safety and social issues, (ii) overseeing and monitoring the Company's policies and practices to ensure alignment with the Company's vision and values, and (iii) advising the Board and management on significant public issues that are pertinent to the Company and its stakeholders.
- **Executive Committee:** The responsibilities of the Executive Committee include exercising the authority of the Board, except as otherwise limited by law, including during intervals between regularly scheduled Board meetings when Board action is needed.

Committee members and chairpersons will be appointed by the Board upon the recommendation of the Governance and Nominating Committee. There are no fixed terms for service on committees. Committee meetings are generally held in conjunction with full Board meetings. The charters of the Audit, Compensation and Benefits, Governance and Nominating, Public Issues and Executive Committees are published on the Company's website.

### **Director Access to Management and, as Necessary and Appropriate, Independent Advisors**

The Board must have accurate, complete information to do its job; the quality of information received by the Board directly affects its ability to perform its oversight function effectively. Directors should be provided with, and review, information from a variety of sources, including management, Board committees, outside experts, auditor presentations and other reports. The Board should be provided with information before Board and committee meetings with sufficient time to review and reflect on key issues and to request supplemental information as necessary.

Effective corporate directors are diligent monitors, but not managers, of business operations. Directors should have access to management, as needed, to fulfill their oversight responsibilities. Any meetings outside of regularly scheduled meetings that a director wishes to initiate with management should be coordinated through the Chairman, the Chief Executive Officer or the Secretary.

### **Director Compensation**

The Governance and Nominating Committee periodically reviews and makes recommendations to the Board regarding the form and amount of compensation for non-management directors. In determining director compensation, the Governance and Nominating Committee should consider director compensation at similarly situated companies and the increased time, effort, expertise and accountability required of active board membership in light of evolving corporate governance requirements.

Non-management directors are expected to invest 50% of their annual compensation in Alcoa shares until they satisfy the Director Share Guidelines, as they may be adopted or amended from time to time by the Board, and they are required to maintain that investment in Alcoa shares until



they retire from the Board. It is the opinion of the Board that this policy reinforces a focus on long-term stockholder value.

### **Director Orientation and Continuing Education**

Materials and briefings are provided to new directors, on an individualized basis, to permit them to become familiar with the Company's business, industry and corporate governance practices.

The Company also periodically provides additional formal and informal opportunities to directors (including site visits to business operations) to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company will pay for continuing education sessions and reimburse directors for costs they reasonably incur in attending such sessions.

### **Management Succession**

The paramount duty of the Board is to select a Chief Executive Officer and to oversee the Chief Executive Officer and other senior management in the competent and ethical operation of the Company.

The Board should identify, and periodically update, the qualities and characteristics necessary for an effective Chief Executive Officer of this Company. With these principles in mind, the Board should periodically monitor and review the development and progression of potential internal candidates against these standards. Advance planning for contingencies such as the departure, death or disability of the Chief Executive Officer or other top executives is necessary so that, in the event of an untimely vacancy, the Company has in place a succession plan that addresses a potential emergency or the retirement of the Chief Executive Officer to facilitate the transition to both interim and longer-term leadership.

### **Communications with Third Parties**

The Board believes that management speaks for the Company. It is expected that Board members would not speak for the Company, absent unusual circumstances (or as required by regulations, listing standards or the Board), and that directors will adhere to such confidentiality policies as may be adopted by the Board from time to time.

The Board believes that effective communication with the Company's stockholders is important, and has established means for the Company's stockholders and other interested parties to contact the Chairman or the independent directors as a group. Information regarding how to contact the Chairman or the independent directors is included in the Company's proxy statement and is posted on the Company's website.

## **Executive Sessions of Outside Directors**

The non-management directors will meet in regularly-scheduled executive sessions without management. If any non-management directors are not independent, then the independent directors will schedule a session comprised solely of independent directors at least once per year.

## **Annual Performance Evaluation of the Board**

Meaningful board evaluation requires an assessment of the effectiveness of the full Board, the operations of its committees and the contributions of individual directors. The performance of the full Board should be evaluated annually, as should the performance of its committees. The Board should have a process for evaluating whether the individuals sitting on the Board bring the backgrounds, skills and expertise appropriate for the Company and how they work as a group. Board positions should not be regarded as permanent. Directors should serve only so long as they add value to the Board, and a director's ability to continue to contribute to the Board should be considered each time the director is considered for re-nomination.

## **Review of Guidelines**

The Board will review these Corporate Governance Guidelines annually, or more frequently as appropriate, and will consider and adopt amendments to these Guidelines as it deems appropriate.

## **Recovery of Incentive Compensation**

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



Guidelines, “executive officer” means any officer who has been designated an executive officer by the Board.

### **Criteria for Identification, Evaluation and Selection of Directors.**

1. Directors must have demonstrated the highest ethical behavior and must be committed to the Company’s values.
2. Directors must be committed to seeking and balancing the legitimate long-term interests of all of the Company’s stockholders, as well as its other stakeholders, including its customers, employees and the communities where the Company has an impact. Directors must not be beholden primarily to any special interest group or constituency.
3. It is the objective of the Board that all non-management directors be independent. In addition, no director should have, or appear to have, a conflict of interest that would impair that director’s ability to make decisions consistently in a fair and balanced manner.
4. Directors must be independent in thought and judgment. They must each have the ability to speak out on difficult subjects; to ask tough questions and demand accurate, honest answers; to constructively challenge management; and at the same time, act as an effective member of the team, engendering by his or her attitude an atmosphere of collegiality and trust.
5. Each director must have demonstrated excellence in his or her area and must be able to deal effectively with crises and to provide advice and counsel to the Chief Executive Officer and his or her peers.
6. Directors should have proven business acumen, serving or having served as a chief executive officer, or other senior leadership role, in a significant, complex organization; or serving or having served in a significant policy-making or leadership position in a well-respected, nationally or internationally recognized educational institution, not-for-profit organization or governmental entity; or having achieved a widely recognized position of leadership in the director’s field of endeavor which adds substantial value to the oversight of material issues related to the Company’s business.
7. Directors must be committed to understanding the Company and its industry; to regularly preparing for, attending and actively participating in meetings of the Board and its committees; and to ensuring that existing and future individual commitments will not materially interfere with the director’s obligations to the Company. The number of other board memberships, in light of the demands of a director nominee’s principal occupation, should be considered, as well as travel demands for meeting attendance.
8. Directors must understand the legal responsibilities of board service and fiduciary obligations. All members of the Board should be financially literate and have a sound understanding of business strategy, business environment, corporate governance and board operations. At least one member of the Board must satisfy the requirements of an “audit committee financial expert.”

9. Directors must be self-confident and willing and able to assume leadership and collaborative roles as needed. They need to demonstrate maturity, valuing Board and team performance over individual performance and respect for others and their views.
10. New director nominees should be able to and committed to serve as a member of the Board for an extended period of time.
11. While the diversity, the variety of experiences and viewpoints represented on the Board should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the committee will focus on any special skills, expertise or background that would complement the existing Board, recognizing that the Company's businesses and operations are diverse and global in nature.
12. Directors should have reputations, both personal and professional, consistent with the Company's image and reputation.



## ANNEX A

### **DIRECTOR INDEPENDENCE STANDARDS**

1. In no event will a director be considered “independent” unless the Board of Directors (the “Board”) affirmatively determines that the director has no material relationship with Alcoa Corporation (“Alcoa”) or any subsidiary in the consolidated group (together with Alcoa, the “Company”), either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company, other than the director’s relationship with Alcoa as a director. In each case, the Board shall consider all relevant facts and circumstances and shall apply these Director Independence Standards (in accordance with the guidance, and subject to the exceptions, permitted by the New York Stock Exchange).
2. A director is not independent if:
  - The director is, or has been within the last three years, an employee of the Company
    - Employment as an interim Chairman or Chief Executive Officer or other executive officer shall not disqualify a director from being considered independent following that employment.
  - An immediate family member of the director is, or has been within the last three years, an executive officer of the Company.
  - The director has received, or his or her immediate family member has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service)
    - Compensation received by a director for former service as an interim Chairman or Chief Executive Officer or other executive officer need not be considered in determining independence under this test.
    - Compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) need not be considered in determining independence under this test.
  - The director is a current partner or employee of a firm that is the Company’s internal or external auditor.
  - An immediate family member of the director is a current partner of the Company’s internal or external auditor firm.
  - An immediate family member of the director is a current employee of the internal or external auditor firm and personally works on the Company’s audit.
  - The director or an immediate family member was, within the last three years, a partner or employee of the internal or external auditor firm and personally worked on the Company’s audit within that time.

- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
  - The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.
3. In addition to the independence standards applicable to independent directors generally, Audit Committee members may not (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Company, other than director and committee fees, any regular benefits that other directors receive for services on the board or board committees and compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided such compensation is not contingent in any way on continued service) or (ii) be an affiliated person of Alcoa or any subsidiary of Alcoa.
  4. In affirmatively determining the independence of any director who will serve on the Compensation and Benefits Committee, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Compensation and Benefits Committee member, including, but not limited to: (A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (B) whether such director is affiliated with Alcoa, a subsidiary of Alcoa or an affiliate of a subsidiary of Alcoa.
  5. The determination of whether a director is independent will be made by the directors who satisfy the independence standards.
  6. For purposes of the determination of a director's independence, "immediate family member" means a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director's home. When applying the three-year look-back provision, individuals will not be considered who are no longer immediate family members as a result of legal separation, divorce, death or incapacity.
  7. As used herein, "executive officer" means any "officer" as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, and as determined by the Board.
  8. These Director Independence Standards list all material relationships between Alcoa and a director of Alcoa. Any relationships not listed above and not required to be disclosed under Item 404 of Regulation S-K of the Securities and Exchange Commission are deemed to be categorically immaterial.
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