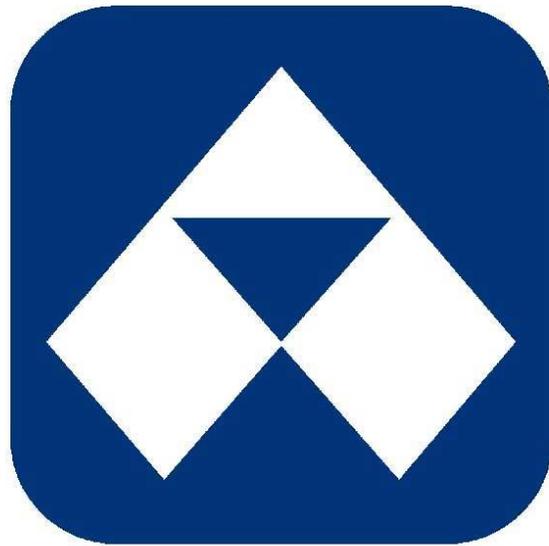


Alcoa Separation Guide for Suppliers

A Guide Supporting Suppliers of Alcoa

until the Separation into two Companies



**ALCOA**

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## 1. Legal Statement

The Alcoa Separation Guide for Suppliers is owned by Alcoa and is intended solely for use by their suppliers for the purpose of facilitating the Alcoa separation process to minimize adverse impact to our suppliers during the transition period.

The document can be obtained on the [Supplier Continuity Portal](#).

This document is not to be distributed without written permission from Alcoa.

## 2. Overview of the Separation

Last September, we announced that we are separating into two industry-leading, publicly-traded FORTUNE 500 companies:

- Arconic: a multi-material, technology and innovation-driven value-add company and
- Alcoa: a globally competitive, leading-edge upstream company

Both Arconic and Alcoa will be domiciled in the United States and listed on the New York Stock Exchange, Arconic as ARNC and Alcoa as AA. The new Alcoa will comprise of six business units: Bauxite, Alumina, Aluminum, Cast Products, Energy, and North America Packing. Arconic will include the three business segments that today comprise Alcoa's Value Add portfolio: Global Rolled Products, Engineered Products and Solutions, and Transportation and Construction Solutions.

We are on target to complete the separation in the second half of 2016.

In this document we refer to the Alcoa Upstream Business as "Alcoa Corporation"

### What is Arconic's Brand & Value Proposition?



*Figure 1. Arconic logo and tagline*

The "Arconic" brand represents the future Value-Add company's iconic heritage and continued commitment to industry-shaping innovation:

- The "A" echoes Arconic's proud Alcoa heritage;
- "Arc" represents the arc of progress and the continued pursuit of advancement for customers, employees, shareholders and communities; and
- "-conic" speaks to the company's history of creating iconic products and its constant focus on the next breakthrough innovation.

The tagline, "Innovation, Engineered," communicates the company's mission – to invent, develop and deliver products and solutions for high performance customers and industries through precision engineering and advanced manufacturing.

The logo is a two-dimensional icon that the eye sees as a three-dimensional projection, symbolizing Arconic's ambition and ability to make what is often deemed impossible real. Its silhouette pays homage to the Alcoa mark, while the color represents the company's vibrant, dynamic culture.

Together, the Arconic name and mark are the first step in telling our new story to the world:

- We create breakthrough products that shape industries.
- Working in close partnership with our customers, we solve complex engineering challenges to transform the way we fly, drive, build, package and power.
- Through the ingenuity of our people and cutting-edge advanced manufacturing techniques, we deliver these products at a quality and efficiency that ensures customer success and shareholder value.
- From the revolutionary aluminum body for the Ford F150, to the jet engine blades that sustain temperatures beyond their melting point, our products push innovation to the next level and make real what was once only imaginable.

Klaus Kleinfeld (Chairman and CEO of Alcoa Inc.): "The 'Arconic' brand fuses our extraordinary heritage with our highly promising future. It echoes our 127-year history of invention – and reinvention. Our logo depicts the realm of possibility brought to life. It reflects our vision of limitless innovation solving complex engineering challenges, to transform the way we fly, drive, build, package and power. And it represents the ingenuity of our people, who are dedicated to inventing, developing, and delivering high-quality, innovative products and solutions that contribute to our customers' success and create shareholder value."

Please visit the [Arconic web page](#) for more information regarding the brand and company. A press release about the new brand can be found [here](#).

## What is Alcoa's Brand Refresh and Value Proposition?



*Figure 2. Refreshed Alcoa Logo*

Alcoa's Upstream portfolio will become Alcoa Corporation... and as we launch the transformed and agile Upstream company, we are introducing a refreshed logo.

- The symbol has been removed from its enclosure and the new logo represents a transformed and agile Upstream company characterized by out-of-the-box thinking.
- Its bold, geometric capital "A," with the sharp apex, signifies an upward trajectory and constant pursuit for strong performance.
- The Alcoa Corporation logo will remain "Alcoa blue," reflecting the strong foundation upon which the company is built.

**Our Story:**

- At Alcoa, we are the best operators in the industry and leaders in the production of Bauxite, Alumina and Aluminum products.
- Our portfolio of world-class assets is geared toward cost efficiency and sustainability.
- It includes the largest, low-cost bauxite mining portfolio in existence; the world's most attractive alumina refining system; and an optimized aluminum smelting portfolio.
- Our innovative cast-products network gives us a commercial edge, producing premium aluminum products and delivering expert technical services to our customers.
- Our fleet of renewable energy assets provides the flexibility to either power our portfolio or profit from sales.
- With our talented workforce as the driving force, Alcoa is positioned for success throughout the market cycle—resilient against market down-swings, and poised to capitalize on the upswings.

Klaus Kleinfeld (Chairman and CEO of Alcoa Inc.): "The new Alcoa mark represents a transformed and agile Upstream company: resilient against market down-swings and poised to capitalize on upswings"

## How can I contact you with my questions?

A mailbox has been set up to field any questions or concerns that arise which have not been answered in this document. Please direct questions to the Supplier Continuity mailbox:

[Suppliers@alcoa.com](mailto:Suppliers@alcoa.com)

## 3. Structural and Legal Changes

### When will the name officially change?

We are one company until separation, which will occur on Legal Day 1 (in 2<sup>nd</sup> half of 2016). Prior to Legal Day 1 some documents (e.g., purchase orders) will start to use the Arconic name where needed for business continuity.

### How will the company name/brand be displayed on supplier facing documents?

We are going through the process of updating our business/brand names on supplier facing documents (e.g. purchase orders). Some operating and legal entity names that contain "Alcoa" today will be changed to "Arconic", for example.

### Will there be any changes to the current legal entities?

Yes. Some legal entities will change, and these will be communicated to the relevant suppliers. Most of the name changes affect the Arconic business.

All legal entities which are subsidiaries of Alcoa, Inc. today will be wholly owned by either Alcoa Corporation or Arconic after the separation.

## Will the legal entity changes impact supplier contracts?

In cases where a contract is servicing both Alcoa Corporation and Arconic, or where legal entity changes occur, the contract will be modified. You will be contacted by the Contracts Separation team as necessary.

All contracts are assigned a numerical ID which is used to reference them in purchase orders issued to suppliers. As part of the contract separation work all contract IDs will be changed. Those contracts belonging to Alcoa Corporation will have an AL suffix appended to the contract ID, while Arconic contracts will have an AR suffix appended to the contract ID. All new POs will reference the new contract IDs and suppliers should reference the new contract IDs when communicating with either company.

## Where will suppliers find relevant credit information?

Pro forma financials and the distribution of assets and liabilities, have been made publicly available when the Form 10 was filed with the SEC. The initial filing was done on June 29<sup>th</sup>, with the approved Form expected later in the summer.

All SEC filings are published on the [Alcoa Investor Relations \(IR\) website](#), or at the [SEC website](#).

## 4. Purchasing Systems & Policies

### Will direct pay permits be affected by the separation?

Yes. Direct pay permits will be affected in cases of legal entity changes. In those cases the new business will apply for new permits and will publish those on AlcoaDirect.

### Will tax exemption certificates be affected by the separation?

Yes. Any location impacted by legal entity changes must issue a new tax exemption certificate to suppliers. Following a legal entity change, the new tax exemption certificate will be issued at the time that the first purchase order is sent to a supplier.

### Will suppliers have access to the new T&Cs?

Yes. Revised T&Cs for both companies will be published, under the "Sell to Alcoa" [webpage](#) as they become available. On Legal Day 1 the Arconic T&Cs will be removed from the Alcoa.com and will be housed on the Arconic.com website. On Legal Day 1, the Alcoa Corporation T&Cs will be housed under a new URL address.

### Will the change in T&Cs impact open POs?

No. Open POs will not be impacted by the revision in the T&Cs. The T&Cs currently in place contain provisions that specifically reference the planned separation and allows Alcoa to transition to Alcoa Corporation and Arconic.

### Will our policies on supplier quality change?

No. The quality of good and services to either Alcoa Corporation or Arconic will not differ from the standards currently required by Alcoa.

## Will there be changes to any procurement managed compliance programs?

No. All compliance programs currently managed by procurement will be separated and duplicated for both future companies. Procurement currently manages the TRAC program, the supplier standards, Supplier Sustainability Program, and the conflict minerals program.

## What do suppliers need to do to remain TRAC compliant?

TRAC suppliers that will continue to do business with Alcoa Corporation will be required to grant Alcoa Corporation access to their TRAC profile. Instructions for suppliers on how to do this can be found on the [TRAC website](#). There will be no additional cost to suppliers.

TRAC suppliers who will do business exclusively with Arconic don't need to take any action to remain TRAC compliant with Arconic.

## Will there be any changes to the Alcoa Central Dispatch group?

Yes.

Effective August 1<sup>st</sup>, 2016 the Alcoa Central Dispatch group has been separated into two groups to support both Alcoa Corporation and Arconic. Contact information for both groups has been updated as shown below:

### **Alcoa Corporation Contact Information**

Phone: 1-866-209-3737 X 6

Email: [AlcoaCorpCD@alcoa.com](mailto:AlcoaCorpCD@alcoa.com)

### **Arconic Contact Information**

Phone: 1-877-775-7704

Email: [CentralDispatch@arconic.com](mailto:CentralDispatch@arconic.com)

## Are there any changes to how suppliers interact with Best Transport Supplier Connection?

Yes.

All existing suppliers that are using Best Transport Supplier Connection will need to update the account key within the account. Suppliers should log in using existing login information. Go to Settings, Add Additional BestShippers, then enter the appropriate account key. The keys 4arconic should be used for Arconic and 4alcoa should be used for Alcoa Corporation. Suppliers that will be supplying both companies will need to complete this step twice to add both account keys. This will add Arconic Central Dispatch and/or Alcoa Central Dispatch AMM to the drop down menu titled "Who is this load for?" on the Post Shipment page. If assistance is needed with this process, please contact Best Transport at 1-866-741-2378 x 9 x 2.

When shipping to or on behalf of Arconic, please select Arconic Central Dispatch. When shipping to or on behalf of Alcoa Corporation, please select Alcoa Central Dispatch AMM.

## 5. Invoicing and Payment Systems & Policies

### Will suppliers be impacted by bank account changes?

Some legal entity changes may drive the creation of new bank accounts. Some suppliers will be paid from different bank accounts than those that they've been paid from in the past.

### When should suppliers start addressing invoices to the new entity (e.g., Arconic vs. Alcoa)?

The name listed on the invoice should match the name listed on the purchase order. If the legal entity name changes, the name on the invoice should reflect this when it is active. The stringency for rejecting invoices with the wrong names varies by country, please follow your local guidelines.

### What will happen to invoices sent to the wrong company?

In the beginning of August invoices must be sent separately to both companies. At this point purchase orders will have the updated "bill to" addresses. Invoices sent to the wrong company will be forwarded to the correct Alcoa or Arconic address until Legal Day 1. The supplier will be notified that they have sent the invoice to the wrong company, but they don't need to take any action to resolve the issue.

Post Legal Day 1, if an invoice does not match a valid purchase order for that company, then the invoice will be rejected.

### How will the Citi Supplier Finance program be impacted?

The Citi Supplier Finance program will continue to be used by both companies post separation. The program will continue to operate in the same manner that it does today. Prior to Legal Day 1, Citibank will inform Citi Supplier Finance suppliers that they will be using Citi Supplier Finance to do business separately with Alcoa and Arconic. Citibank will also inform the supplier if there is a change in the financing charge to use the program. Starting Legal Day 1 suppliers will begin seeing transactions in the Citi Supplier Finance portal for both Alcoa Corporation and Arconic.

### Will there be any changes to how I submit invoices to the Hungary Buy and Payment center?

Yes. A new GSS accounts payable office has been opened to handle Alcoa Corporation business. Arconic will inherit the current office in Hungary. Suppliers who send invoices to the AP office in Hungary and do business with Alcoa Corporation will have to send invoices to the new AP office which has been opened for Alcoa Corporation in place of the current address that they send invoices to. The new address will be included in POs in the "bill to" address field. Invoices sent to the wrong company will be rejected after the company is separated.

## 6. IT Systems & Policies

### When will Alcoa email addresses change to Arconic email addresses?

All Arconic employees will communicate with suppliers with a new @Arconic.com email address starting Legal Day 1.

## What would happen if an email is sent to an Alcoa email for an employee who has moved to Arconic?

After Legal Day 1 the @Alcoa.com email of Arconic employees will continue to be forwarded to their @Arconic.com email for a period of six months. After the six months forwarding period, any email sent to an Arconic employee's @Alcoa.com will likely result in an undeliverable response to the sender's email system.

## Will our IT systems experience any downtime?

Yes. On August 1<sup>st</sup> the Oracle EBS system, which powers our purchasing and payment systems, will be unavailable and return on August 4<sup>th</sup> as two separate systems, each one serving one of the future companies. Please be aware that during the outage no Oracle operations will be able to be performed, including: entering requisitions, issuing purchase orders, receiving purchase orders, entering invoices, and processing invoices. Once the Oracle EBS system is separate all purchasing and AP transactions will be performed on separate systems. All systems will work the same way that they did prior to the outage, except that you will process Arconic and Alcoa Corporation transactions separately.

## Will the IT outages affect supplier payments?

No. Supplier payments will not be impacted by the various IT outages.

## Do suppliers need to take action in their Enterprise Resource Planning (ERP) system in order to sell to Arconic?

Yes, suppliers need to set up a new customer profile in their ERP system to represent the separation of Alcoa into two separate companies. Suppliers also need to be aware of which locations are Arconic, and which locations are Alcoa Corporation. A list of locations classified by which company they will be a part of can be found [here](#).

## Will there be any interruptions to AlcoaDirect because of the outage?

AlcoaDirect will be unavailable between August 1<sup>st</sup> and 4<sup>th</sup>. During this time our employees and suppliers will not be able to access or make any transactions (e.g. iClaims, invoice uploads) on AlcoaDirect.

## Will the AlcoaDirect URL change?

Suppliers doing business with Alcoa Corporation will continue to use the same URL to interact with the AlcoaDirect system; however, any transactions that suppliers have with Arconic will not be handled on the AlcoaDirect site.

A new web portal, ArconicDirect, is being created for Arconic that will have the same functionality as AlcoaDirect. The ArconicDirect system will be located at [ArconicDirect.com](http://ArconicDirect.com). The ArconicDirect site will go live on August 4<sup>th</sup>, and all Arconic transactions will be managed there at that time for them.

In order to help guide suppliers to the correct web portal, all users going to the AlcoaDirect page will be re-directed to a splash page where they will be informed about the differences between AlcoaDirect and ArconicDirect. They will then make a selection on what site they want to go to. The splash page will be live between August 4<sup>th</sup> and Legal Day 1. Post Legal Day 1, the splash page will no longer exist and suppliers must go to the correct company's site.

Between 8/1/16 to 10/1/2016 suppliers to our Warrick facility will have to access either ArconicDirect or AlcoaDirect depending on the type of transaction that they would like to perform. After 10/1/16 Warrick suppliers will perform all transactions on AlcoaDirect. Please consult the table below for more information.

<b>Transaction Type</b>	<b>Before 8/1/16</b>	<b>8/1/16 to 10/1/16</b>	<b>After 10/1/16</b>
<b>eCM (PO based)</b>	AlcoaDirect	<b>ArconicDirect</b>	AlcoaDirect
<b>B2B Supplier Inquiries</b>	AlcoaDirect	<b>ArconicDirect</b>	AlcoaDirect
<b>Pull Pay (non-PO based)</b>	AlcoaDirect	AlcoaDirect	AlcoaDirect
<b>Pull Pay supplier inquiries</b>	AlcoaDirect	AlcoaDirect	AlcoaDirect
<b>Warehouse &amp; Outside Service Providers (OSPs)</b>	AlcoaDirect	AlcoaDirect	AlcoaDirect

The Supplier Continuity team will provide further instructions to suppliers of our Warrick facility which will have to use ArconicDirect during the transition period.

## Will there be any changes to Quadrem?

Yes, the Quadrem system, like many of the other current IT systems, must be separated and duplicated so that both future companies can continue to use Quadrem. The system will be duplicated in North America and Europe. Arconic will not use Quadrem in Australia. South America will discontinue the use of Quadrem effective June 30<sup>th</sup>. Suppliers where Quadrem is being discontinued will be contacted by Alcoa to make the required pay term changes.

Ship to addresses, bill to addresses, and operating unit names will change in the Quadrem system. These changes will occur on August 1<sup>st</sup> in Australia and North America, and on August 22<sup>nd</sup> for Europe. Once these changes are made suppliers must alter their ERP systems in order to be able to process both Alcoa and Arconic. Suppliers must also recognize the changes to the operating unit names, ship to addresses, and bill to addresses.

A list of operating unit name changes in Quadrem can be found [here](#).

## Will there be any service interruptions to Quadrem?

Quadrem will have limited availability between August 1 and August 4. While suppliers will be able to enter invoices during this time, no processing will occur for invoices or purchase orders until August 5.