

Q&A in respect of the Alcoa proposal for Alumina Limited

Scheme implementation

What is the vote percentage required for the Scheme to gain approval?

1. The Scheme is subject to certain conditions, including approval of Alumina shareholders.
2. The Scheme must be approved at the Scheme Meeting by:
 - i. a majority in number (ie more than 50%) of Alumina shareholders present and voting at the meeting; and
 - ii. at least 75% of the total number of votes cast by Alumina shareholders on the Scheme resolution.
3. Unlike a takeover bid, a Scheme has an “all or nothing” outcome. This means that, if the Scheme becomes effective (following shareholder and Court approval and the satisfaction or waiver of all other conditions), Alcoa will acquire 100% of the shares in Alumina and eligible Alumina shareholders will receive the Scheme consideration in exchange for their Alumina shares.¹
4. If, on the other hand, the Scheme does not become effective (for example, if shareholder or Court approval is not obtained or a condition is not satisfied or waived), Alumina will continue as a standalone entity and Alumina shareholders will retain their Alumina shares.
5. Further information is set out in the Scheme Booklet released on the Australian Securities Exchange (**ASX**) on 11 June 2024.

What is the timeline for scheme implementation?

1. The Scheme is subject to a number of conditions, including approval of Alcoa stockholders and Alumina shareholders. The meeting of Alcoa stockholders is scheduled for Tuesday 16 July 2024 (Eastern Time) and the scheme meeting of Alumina shareholders is scheduled for 2pm on Thursday 18 July 2024.
2. If the Scheme is approved by Alumina shareholders and the other conditions precedent are satisfied or waived, the Scheme is expected to be implemented on 1 August 2024. The timing for implementation is indicative only and may be subject to change due to a range of factors.
3. The Scheme Booklet released on ASX on 11 June 2024 contains important information in relation to the Scheme and Scheme Meeting (including the timeline for implementation).

How will I receive Alcoa shares?

1. Subject to the Scheme becoming effective, on implementation of the Scheme (expected to occur on 1 August 2024), eligible Alumina shareholders will receive 0.02584 new Alcoa CHESSE Depository Interests (**Alcoa CDIs**) for each Alumina share held as at the Scheme Record Date (expected to be 7.00pm on 25 July 2024).² Ineligible Foreign Shareholders will receive their pro rata share of the net cash proceeds of the sale of new Alcoa Shares that they would otherwise have been entitled to (in the form of new Alcoa CDIs).
2. Alcoa CDIs represent a unit of beneficial ownership in Alcoa shares which is registered in the name of CHESSE Depository Nominees Pty Limited (**CDN**), or held by CDN in the form of beneficial ownership.
3. Alcoa has agreed to establish a foreign exempt listing on the ASX, which would enable Alumina shareholders to trade Alcoa CDIs on the ASX, in the same way they would normally trade ASX-listed Alumina shares. Alcoa has committed to maintain the CDI listing for at least 10 years.
4. Further information is set out in the Scheme Booklet released on ASX on 11 June 2024.

¹ Ineligible Foreign Shareholders will receive their pro rata share of the net cash proceeds of the sale of new Alcoa Shares that they would otherwise have been entitled to (in the form of new Alcoa CDIs).

² As stated in the Scheme Booklet: (a) CITIC will receive a small portion of its Scheme Consideration in the form of non-voting convertible series A preferred stock in Alcoa instead of Alcoa CDIs to enable compliance with the US Bank Holding Company Act of 1956; and (b) the Depository and/or Custodian of Alumina's ADR program will receive Alcoa common stock as Scheme Consideration, instead of Alcoa CDIs.

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What will Ineligible Foreign Shareholders receive under the Scheme?

1. Ineligible Foreign Shareholders are Alumina shareholders whose registered address as at the Scheme Record Date (expected to be 7.00pm on 25 July 2024) is a place outside Australia and its external territories, British Virgin Islands, Norway, Canada, Hong Kong, New Zealand, Singapore, Switzerland, the European Union, the United Arab Emirates, the United Kingdom or the United States.
2. Ineligible Foreign Shareholders will not receive new Alcoa CDIs. Instead, Alcoa will issue any new Alcoa shares to which they would have been entitled (in the form of Alcoa CDIs) to a Sale Agent, who will sell those Alcoa shares in the ordinary course of trading on NYSE. Ineligible Foreign Shareholders will receive their pro rata share of the net cash proceeds of this sale.

If the Scheme is implemented, do eligible AWC shareholders need to 'opt-in' to receive the Scheme consideration or will this happen automatically?

3. If the Scheme is implemented, then Alumina shareholders (who are not Ineligible Foreign Shareholders) will receive Alcoa CDIs in exchange for their Alumina shares without the need to opt-in or take further action.³

Can AWC shareholders elect to receive NYSE listed Alcoa shares? Or is the only option to receive ASX listed CDIs?

4. No. AWC shareholders cannot elect to receive NYSE-listed Alcoa shares and will receive ASX-listed CDIs only (unless they are Ineligible Foreign Shareholders).³

If we do receive CDIs, can they be converted to NYSE common shares?

1. Yes. After implementation of the transaction, AWC shareholders will have the flexibility to convert their holdings from Alcoa CDIs into holdings of NYSE-listed Alcoa shares, and vice versa on an ongoing basis.

I am a holder of Alumina ADRs. How will I receive my Alcoa shares?

1. Alumina currently has an American Depositary Share (**ADS**) program. Alumina ADSs may be evidenced by American Depositary Receipts (**ADRs**) or may be uncertificated, with each Alumina ADS representing four Alumina shares.
2. The Scheme consideration for the Alumina shares underlying the ADS program will be provided to the ADS Depositary (and/or its custodian) in the form of new Alcoa shares.
3. The Depositary will deliver new Alcoa shares directly to ADS holders, in proportion to the number of Alumina ADSs held by them upon surrender by them of their Alumina ADSs (subject to the payment of applicable fees).
4. ADS holders holding Alumina ADSs in accounts with banks, brokers, nominees or other securities intermediaries will have new Alcoa shares credited to their accounts without having to take any action.
5. ADS holders holding Alumina ADSs in uncertificated form as registered holders on the ADS Depositary's books will be deemed to have surrendered their Alumina ADSs on the Implementation Date and will have uncertificated new Alcoa shares registered in their names without having to take any action.
6. ADS holders holding Alumina ADSs in certificated form (that is, evidenced by ADRs) as registered holders on the ADS Depositary's books will receive a letter of transmittal form from the ADS Depositary, which must be signed and returned together with the ADRs evidencing the relevant Alumina ADSs to the ADS Depositary, which will cause new Alcoa shares in uncertificated form to be registered in their names.

³ As stated in the Scheme Booklet: (a) CITIC will receive a small portion of its Scheme Consideration in the form of non-voting convertible series A preferred stock in Alcoa instead of Alcoa CDIs to enable compliance with the US Bank Holding Company Act of 1956; and (b) the Depositary and/or Custodian of Alumina's ADR program will receive Alcoa common stock as Scheme Consideration, instead of Alcoa CDIs.

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7. As part of these arrangements, Alumina will instruct the ADS Depository to terminate the Alumina ADS program as soon as practicable following implementation of the Scheme.
8. ADS holders will receive notice of termination from the ADS Depository, and the termination will be effective as of the termination date specified in the notice or the date on which no Alumina ADSs remain outstanding, whichever is earlier.
9. All fees owing in connection with the termination of the ADS Deposit Agreement, including cancellation fees, will be borne by ADS holders in accordance with the terms of the ADS Deposit Agreement.

When will I receive my shares in Alcoa?

1. The scheme is subject to a number of conditions precedent, including approval by Alcoa stockholders, Alumina shareholders, and the Federal Court of Australia.
2. If the conditions are satisfied or waived, the scheme is expected to be implemented on 1 August 2024, which is when eligible Alumina shareholders are expected to receive their scheme consideration.

I have heard CDIs have a history of liquidity issues as interest diminishes, is this different?

1. CDIs are tradeable on ASX as if the underlying security (eg NYSE listed shares) was quoted on ASX. There is a risk that the market for Alcoa CDIs may be less liquid than the market for Alcoa shares. This risk is explained in section 8.4 of the Scheme Booklet.
2. However, as set out in the Scheme Booklet (section 7.4, page 88) and Independent Expert Report (page 11):
 - a. Alcoa has committed to maintain the CDI listing on ASX for at least 10 years.
 - b. Any decline in liquidity in the CDIs will probably only impact institutional and other larger holders and, in the view of the Independent Expert, the disadvantages and risks associated with liquidity are outweighed by other advantages and benefits of the scheme.

How many Alcoa Corporation shares would I receive for my Alumina Limited shares?

1. Subject to the Scheme becoming effective, on implementation of the Scheme (expected to occur on 1 August 2024), eligible Alumina shareholders will receive 0.02584 new Alcoa CDIs for each Alumina share held as at the Scheme Record Date (expected to be 7.00pm on 25 July 2024).⁴ Ineligible Foreign Shareholders will receive their pro rata share of the net cash proceeds of the sale of new Alcoa Shares that they would otherwise have been entitled to (in the form of new Alcoa CDIs).
2. Alcoa CDIs or CHESS Depository Interests represent a unit of beneficial ownership in Alcoa shares.
3. Alcoa has agreed to establish a foreign exempt listing on the ASX, which would enable Alumina shareholders to trade shares of Alcoa CDIs on the ASX, in the same way they would normally trade ASX-listed Alumina shares. Alcoa has committed to maintain the CDI listing for at least 10 years.
4. Further information is set out in the Scheme Booklet released on ASX on 11 June 2024.

What will the combined group be called on ASX after the Scheme is implemented (assuming it proceeds)?

5. Alcoa Corporation will have a foreign exempt listing on ASX, and its CDIs will be traded under the ticker AAI, and referred to as Alcoa CDIs.

⁴ As stated in the Scheme Booklet: (a) CITIC will receive a small portion of its Scheme Consideration in the form of non-voting convertible series A preferred stock in Alcoa instead of Alcoa CDIs to enable compliance with the US Bank Holding Company Act of 1956; and (b) the Depository and/or Custodian of Alumina's ADR program will receive Alcoa common stock as Scheme Consideration, instead of Alcoa CDIs.

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Dividend

What dividend would Alcoa pay?

1. As stated in the Scheme Booklet released to ASX on 11 June 2024, it is expected that Alcoa's current dividend framework will continue to apply to the combined group following implementation of the transaction.
2. In October 2021, Alcoa's Board initiated a quarterly cash dividend program. Alcoa has declared and paid a quarterly dividend of US\$0.10 per Alcoa share since then. Alcoa currently intends to continue its quarterly cash dividend. All dividends on Alcoa's shares are subject to authorisation by the Alcoa Board. The payment, amount, and timing of dividends, if any, depends upon matters deemed relevant by the Alcoa Board, such as Alcoa's financial position, results of operations, cash flows, capital requirements, business conditions and applicable law.

What currency will dividends be paid in for Alcoa CDIs?

1. Alcoa declares dividends in US dollars. Dividends paid on Alcoa Shares will be distributed by direct credit to holders of Alcoa CDIs in Australian dollars, unless they elect to receive payment in US dollars, New Zealand dollars or in British pounds sterling by providing their banking details for those currencies. In addition, Alcoa CDI holders may choose to utilise Computershare's Global Wire payment solution to receive payment in other currencies.

Substantial Shareholding

What is the implication of Allan Gray Australia entering into an agreement with Alcoa which gives Alcoa the right to acquire up to a 19.9% stake in Alumina Limited?

1. As announced on 26 February 2024, Allan Gray Australia entered into a conditional sale agreement with Alcoa that gives Alcoa the right to acquire up to 19.9% of Alumina for 0.02854 Alcoa shares for each Alumina share.
2. On 20 May 2024 (Eastern Time), Alcoa announced that Allan Gray had confirmed that it continued to be supportive of the scheme and that, in light of that confirmation, Alcoa and Allan Gray had terminated the conditional sale agreement in accordance with its terms.

What is the ownership interest of CITIC in Alumina Limited?

1. As disclosed in the Scheme Booklet, as at 31 May 2024, CITIC Resources Australia Pty Limited, CITIC Australia Pty Limited, and Bestbuy Overseas Co. Ltd, in aggregate, legally and beneficially own 548,959,208 Alumina shares, being approximately 18.92% of Alumina shares on issue.

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Taxation and Cost base

What is the cost base of my investment?

1. The ASX and Alumina Limited websites provide historical share prices.
2. You should also check your investment records.
3. We encourage you to seek independent professional tax advice regarding the cost base of your investment.

I was a shareholder prior to the demerger of Western Mining Corporation. What is the cost base of my investment?

1. Refer to <https://www.aluminalimited.com/investors/historical-information/demerger-information/> for details on the demerger and the appropriate cost base to use.

Will I get Capital Gains Tax relief?

1. It is a condition precedent to the Scheme that Alumina has received confirmation from the ATO that it is prepared to issue a Class Ruling confirming that qualifying Australian resident Scheme Participants who hold their Alumina Shares on capital account will be eligible to choose scrip-for-scrip rollover relief under subdivision 124-M of the Tax Act to the extent to which they receive New Alcoa CDIs in exchange for their Alumina Shares under the Scheme.
2. The taxation implications of the Scheme will depend on the nature and characteristics of each Scheme participant. It is recommended that Scheme participants seek independent professional tax advice in relation to the income tax implications associated with the Scheme.
3. Further information is contained in the Scheme Booklet released to ASX on 11 June 2024.
4. We encourage you to seek your own independent professional tax advice if you require additional information.

Shareholder reaction

What has the shareholder reaction been?

1. We do not speak on behalf of our/other shareholders.
2. Alumina will continue to keep the market informed of any material developments in accordance with its continuous disclosure requirements.

What is the reaction of CITIC?

1. We do not speak on behalf of our/other shareholders.
2. Alumina will continue to keep the market informed of any material developments in accordance with its continuous disclosure requirements.

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AWAC

Is there basis to the rumour that this will be the end of Australian aluminium smelting / the Portland smelter?

1. In accordance with Alumina's Continuous Disclosure Policy, Alumina's general policy is not to comment on market speculation or rumours.
2. Alumina is aware of its continuous disclosure obligations and will keep the market informed consistent with those obligations.

Transaction rationale

What are the synergies that could be realised?

1. If the Scheme is implemented, Alumina shareholders will share in the synergies resulting from the removal of duplicate corporate costs and more streamlined decision making.
2. The Scheme will eliminate capital structure inefficiencies embedded in the current joint venture structure and will enable more efficient funding, resulting in potential financial synergies which will be shared by Alumina shareholders as investors in the combined group.
3. The combined group would also have increased financial flexibility, enabling more efficient funding and capital allocation decisions, as well as liability management, including financial flexibility for AWAC's Western Australian mining projects, refinery assets and near-term portfolio actions.
4. The Scheme Booklet released to ASX on 11 June 2024 contains important information in relation to the Scheme (including the advantages of the Scheme, such as potential synergies) and the Scheme Meeting.