

## ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of [\_\_\_\_ \_\_, 2016,] ("Assignment Date") is by and between Alcoa Inc. ("Assignor") and Alcoa Upstream Corporation ("Assignee").

### RECITALS

The Public Utility District No. 1 of Chelan County, Washington (the "District"), Assignor and Alcoa Power Generating, Inc. ("APGI") have heretofore entered into that certain Power Sales Agreement dated as of July 14, 2008, as amended by Amendment One to Power Sales Agreement dated as of August 23, 2011 and Amendment Two To Power Sales Agreement dated as of March 31, 2014 (collectively referred to as the "Original PSA"), that certain Long-Term Transmission Service Agreement executed by and among the District, APGI and Assignor dated July 14, 2008 (the "Original Transmission Services Agreement") and that certain Interconnection Agreement dated as of January 19, 2010 by and among the District, APGI and Assignor (the "Original Interconnection Agreement") and that certain Collateral Deposit Agreement effective as of June 14, 2013 by and among the District, APGI and Assignor, as amended by the First Amendment to the Collateral Deposit Agreement dated and effective as of February 13, 2015 (collectively, the "Original Collateral Deposit Agreement"). The Original PSA, the Original Transmission Services Agreement, the Original Interconnection Agreement and the Original Collateral Deposit Agreement are collectively referred to herein as the "Operative Documents."

Assignor is, concurrently herewith, completing its separation into two independent, publicly-traded companies, namely Alcoa Upstream Corporation that intends to change its name to Alcoa Corporation upon separation and a downstream company named Arconic Inc., and in connection therewith, Assignor has assigned to Alcoa Wenatchee LLC, a wholly-owned subsidiary of the Assignee, all of its assets and liabilities in and to the aluminum smelting facility located in Chelan County, Washington known as Wenatchee Works. Assignor intends by this Agreement to assign all of its rights, obligations, title to and interest in the Operative Documents to Assignee (the "Assignment"), in each case subject to the District's consent pursuant to that certain Agreement of Assignment, Assumption and Conditional Consent dated as of \_\_\_\_\_, 2016 (the "Consent Agreement"). Following the Assignment, APGI would continue to be a party to the Operative Documents.

Assignee desires to assume all of the Assignor's rights and agrees to perform all of the Assignor's obligations under the Operative Documents and the parties hereto would like to memorialize their intent and mutual understanding by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and intending to be legally bound, the parties hereto hereby agree as follows:

1. Assignment. As of the Assignment Date, Assignor hereby transfers, assigns and conveys to Assignee all of its rights, title and interest in, to and under, and all of its obligations under, the Operative Documents.
2. Assumption. As of the Assignment Date, Assignee hereby accepts the assignment of such rights, title and interest and assumes and agrees to pay, perform and discharge, in a

timely manner, all of Assignor's liabilities and obligations under the Operative Documents, whether arising before or after the Assignment Date.

3. APGI. For avoidance of doubt, nothing herein shall be construed to affect the rights, title and interest in, and obligations of APGI under the Operative Documents.

4. Effective Date of Agreement. Notwithstanding anything to the contrary herein, including Paragraphs 1 and 2 above, this Agreement will only become effective upon the Effective Date of the Consent Agreement. Upon the Effective Date of the Consent Agreement, the Assignment will be deemed to have occurred as of the Assignment Date.

5. Binding Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Nothing contained in this Agreement shall be deemed to confer upon anyone other than the parties hereto (and their permitted successors and assigns) any legal right or equitable right, remedy or claim under or by reason of this Agreement.

6. Further Assurances. Each party hereto hereby agrees that, from time to time, each of them will execute and deliver such further instruments of conveyance and transfer and take such other actions as may be reasonably necessary to carry out the purposes of this Agreement.

7. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

8. Assignment. This Agreement may not be assigned by any party except by an instrument in writing signed by the parties hereto.

9. Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed by the parties hereto or waived except by an instrument in writing signed by the party granting the waiver.

10. Governing Law. This Agreement will be governed by, and interpreted in accordance with, the laws of the State of Washington.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed as of the Assignment Date.

**Alcoa Inc.**

By: \_\_\_\_\_  
Name:  
Title:

**Alcoa Upstream Corporation**

By: \_\_\_\_\_  
Name:  
Title:

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