

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-3610

HOWMET AEROSPACE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

25-0317820
(I.R.S. Employer Identification No.)

201 Isabella Street, Suite 200, Pittsburgh, Pennsylvania 15212-5872
(Address of principal executive offices) (Zip code)

Investor Relations 412-553-1950
Office of the Secretary 412-553-1940
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	HWM	New York Stock Exchange
\$3.75 Cumulative Preferred Stock, par value \$100.00 per share	HWM PR	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 2, 2021, there were 428,912,175 shares of common stock, par value \$1.00 per share, of the registrant outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Howmet Aerospace Inc. and subsidiaries
Statement of Consolidated Operations (unaudited)
(U.S. dollars in millions, except per-share amounts)

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Sales (D)	\$ 1,195	\$ 1,253	\$ 2,404	\$ 2,887
Cost of goods sold (exclusive of expenses below)	857	923	1,730	2,106
Selling, general administrative, and other expenses	55	74	120	153
Research and development expenses	4	4	9	8
Provision for depreciation and amortization	67	73	135	144
Restructuring and other charges (E)	5	105	14	144
Operating income	207	74	396	332
Interest expense, net	89	144	161	228
Other expense (income), net (F)	8	16	12	(8)
Income (loss) before income taxes	110	(86)	223	112
Provision (benefit) for income taxes (H)	36	(2)	69	43
Income (loss) from continuing operations after income taxes	\$ 74	\$ (84)	\$ 154	\$ 69
(Loss) income from discontinued operations after income taxes (B)	—	(12)	—	50
Net income (loss)	\$ 74	\$ (96)	\$ 154	\$ 119
Amounts Attributable to Howmet Aerospace Common Shareholders (I):				
Net income (loss)	\$ 73	\$ (96)	\$ 153	118
Earnings (loss) per share - basic				
Continuing operations	\$ 0.17	\$ (0.19)	\$ 0.35	\$ 0.16
Discontinued operations	\$ —	\$ (0.03)	\$ —	\$ 0.11
Earnings (loss) per share - diluted				
Continuing operations	\$ 0.17	\$ (0.19)	\$ 0.35	\$ 0.15
Discontinued operations	\$ —	\$ (0.03)	\$ —	\$ 0.11
Average Shares Outstanding (I):				
Average shares outstanding - basic	432	436	433	436
Average shares outstanding - diluted	437	436	438	440

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Statement of Consolidated Comprehensive Income (Loss) (unaudited)
(U.S. dollars in millions)

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 74	\$ (96)	\$ 154	\$ 119
Other comprehensive income (loss), net of tax (J):				
Change in unrecognized net actuarial loss and prior service cost related to pension and other postretirement benefits	35	9	77	46
Foreign currency translation adjustments	18	(8)	(26)	(73)
Net change in unrealized losses on debt securities	—	(1)	—	—
Net change in unrecognized gains (losses) on cash flow hedges	4	9	8	(4)
Total Other comprehensive income (loss), net of tax	57	9	59	(31)
Comprehensive income (loss)	\$ 131	\$ (87)	\$ 213	\$ 88

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Consolidated Balance Sheet (unaudited)
(U.S. dollars in millions)

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 715	\$ 1,610
Receivables from customers, less allowances of \$— in 2021 and \$1 in 2020 (K)	316	328
Other receivables (K)	100	29
Inventories (L)	1,456	1,488
Prepaid expenses and other current assets	212	217
Total current assets	2,799	3,672
Properties, plants, and equipment, net (M)	2,515	2,592
Goodwill (D)	4,090	4,102
Deferred income taxes	188	272
Intangibles, net	557	571
Other noncurrent assets (N)	230	234
Total assets	\$ 10,379	\$ 11,443
Liabilities		
Current liabilities:		
Accounts payable, trade	\$ 632	\$ 599
Accrued compensation and retirement costs	195	205
Taxes, including income taxes	80	102
Accrued interest payable	75	89
Other current liabilities (N)	232	289
Short-term debt (O)	13	376
Total current liabilities	1,227	1,660
Long-term debt, less amount due within one year (O and P)	4,227	4,699
Accrued pension benefits (G)	868	985
Accrued other postretirement benefits (G)	156	198
Other noncurrent liabilities and deferred credits (N)	303	324
Total liabilities	6,781	7,866
Contingencies and commitments (R)		
Equity		
Howmet Aerospace shareholders' equity:		
Preferred stock	55	55
Common stock	429	433
Additional capital	4,481	4,668
Retained earnings	517	364
Accumulated other comprehensive loss (J)	(1,884)	(1,943)
Total equity	3,598	3,577
Total liabilities and equity	\$ 10,379	\$ 11,443

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Statement of Consolidated Cash Flows (unaudited)
(U.S. dollars in millions)

	Six months ended June 30,	
	2021	2020
Operating activities		
Net income	\$ 154	\$ 119
Adjustments to reconcile net income to cash provided from (used for) operations:		
Depreciation and amortization	135	203
Deferred income taxes	15	25
Restructuring and other charges	14	126
Net loss from investing activities—asset sales	4	4
Net periodic pension benefit cost (G)	9	34
Stock-based compensation	14	23
Other	46	48
Changes in assets and liabilities, excluding effects of acquisitions, divestitures, and foreign currency translation adjustments:		
Increase in receivables	(231)	(70)
Decrease (increase) in inventories	19	(136)
Decrease (increase) in prepaid expenses and other current assets	10	(11)
Increase (decrease) in accounts payable, trade (A)	48	(320)
Decrease in accrued expenses	(93)	(173)
Increase in taxes, including income taxes	24	96
Pension contributions	(61)	(102)
Increase in noncurrent assets	(4)	(6)
Decrease in noncurrent liabilities	(24)	(37)
Cash provided from (used for) operations	79	(177)
Financing Activities		
Net change in short-term borrowings (original maturities of three months or less)	(1)	(2)
Additions to debt (original maturities greater than three months) (B)(O)	—	2,400
Payments on debt (original maturities greater than three months) (O)	(838)	(2,041)
Debt issuance costs (B)(O)	(1)	(61)
Premiums paid on early redemption of debt (O)	(22)	(59)
Proceeds from exercise of employee stock options	15	30
Dividends paid to shareholders	(1)	(10)
Repurchase of common stock	(200)	—
Net cash transferred to Arconic Corporation at separation (B)	—	(500)
Other	(20)	(34)
Cash used for financing activities	(1,068)	(277)
Investing Activities		
Capital expenditures (A)(D)	(91)	(184)
Proceeds from the sale of assets and businesses (B)(Q)	8	114
Sale of debt securities	5	—
Cash receipts from sold receivables (K)	172	114
Cash provided from investing activities	94	44
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(8)
Net change in cash, cash equivalents and restricted cash	(895)	(418)
Cash, cash equivalents and restricted cash at beginning of period	1,611	1,703
Cash, cash equivalents and restricted cash at end of period	\$ 716	\$ 1,285

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Statement of Changes in Consolidated Equity (unaudited)
(U.S. dollars in millions, except per-share amounts)

Howmet Aerospace Shareholders							
	Preferred stock	Common stock	Additional capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests	Total Equity
Balance at March 31, 2020	\$ 55	\$ 436	\$ 7,326	\$ 319	\$ (3,369)	\$ 14	\$ 4,781
Net loss	—	—	—	(96)	—	—	(96)
Other comprehensive income (J)	—	—	—	—	9	—	9
Stock-based compensation	—	—	10	—	—	—	10
Distributions to Arconic Corporation (B)	—	—	(2,633)	—	1,392	(14)	(1,255)
Balance at June 30, 2020	<u>\$ 55</u>	<u>\$ 436</u>	<u>\$ 4,703</u>	<u>\$ 223</u>	<u>\$ (1,968)</u>	<u>\$ —</u>	<u>\$ 3,449</u>

Howmet Aerospace Shareholders							
	Preferred stock	Common stock	Additional capital	Retained earnings	Accumulated other comprehensive loss	Total Equity	
Balance at March 31, 2021	\$ 55	\$ 434	\$ 4,671	\$ 443	\$ (1,941)	\$ 3,662	
Net income	—	—	—	74	—	74	
Other comprehensive income (J)	—	—	—	—	57	57	
Repurchase and retirement of common stock	—	(6)	(194)	—	—	(200)	
Stock-based compensation	—	—	8	—	—	8	
Common stock issued: compensation plans	—	1	(4)	—	—	(3)	
Balance at June 30, 2021	<u>\$ 55</u>	<u>\$ 429</u>	<u>\$ 4,481</u>	<u>\$ 517</u>	<u>\$ (1,884)</u>	<u>\$ 3,598</u>	

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Statement of Changes in Consolidated Equity (unaudited)
(U.S. dollars in millions, except per-share amounts)

Howmet Aerospace Shareholders							
	Preferred stock	Common stock	Additional capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests	Total Equity
Balance at December 31, 2019	\$ 55	\$ 433	\$ 7,319	\$ 113	\$ (3,329)	\$ 14	\$ 4,605
Net income	—	—	—	119	—	—	119
Other comprehensive loss (J)	—	—	—	—	(31)	—	(31)
Cash dividends declared:							
Preferred-Class A @ \$1.875 per share	—	—	—	(1)	—	—	(1)
Common @ \$0.02 per share	—	—	—	(8)	—	—	(8)
Stock-based compensation	—	—	23	—	—	—	23
Common stock issued: compensation plans	—	3	(6)	—	—	—	(3)
Distributions to Arconic Corporation (B)	—	—	(2,633)	—	1,392	(14)	(1,255)
Balance at June 30, 2020	<u>\$ 55</u>	<u>\$ 436</u>	<u>\$ 4,703</u>	<u>\$ 223</u>	<u>\$ (1,968)</u>	<u>\$ —</u>	<u>\$ 3,449</u>

Howmet Aerospace Shareholders							
	Preferred stock	Common stock	Additional capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests	Total Equity
Balance at December 31, 2020	\$ 55	\$ 433	\$ 4,668	\$ 364	\$ (1,943)	\$ —	\$ 3,577
Net income	—	—	—	154	—	—	154
Other comprehensive income (J)	—	—	—	—	—	59	59
Cash dividends declared:							
Preferred-Class A @ \$1.875 per share	—	—	—	(1)	—	—	(1)
Repurchase and retirement of common stock	—	(6)	(194)	—	—	—	(200)
Stock-based compensation	—	—	14	—	—	—	14
Common stock issued: compensation plans	—	2	(7)	—	—	—	(5)
Balance at June 30, 2021	<u>\$ 55</u>	<u>\$ 429</u>	<u>\$ 4,481</u>	<u>\$ 517</u>	<u>\$ (1,884)</u>	<u>\$ —</u>	<u>\$ 3,598</u>

The accompanying notes are an integral part of the consolidated financial statements.

Howmet Aerospace Inc. and subsidiaries
Notes to the Consolidated Financial Statements (unaudited)
(U.S. dollars in millions, except per-share amounts)

A. Basis of Presentation

The interim Consolidated Financial Statements of Howmet Aerospace Inc. (formerly known as Arconic Inc.) and subsidiaries (“Howmet” or the “Company”) are unaudited. These Consolidated Financial Statements include all adjustments, consisting only of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position, and cash flows. The results reported in these Consolidated Financial Statements are not necessarily indicative of the results that may be expected for the entire year. The 2020 year-end balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America (“GAAP”). This Form 10-Q report should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, which includes all disclosures required by GAAP. Certain amounts in previously issued financial statements were reclassified to conform to the current period presentation.

The separation of Arconic Inc. into two standalone, publicly-traded companies, Howmet Aerospace Inc. and Arconic Corporation, (the “Arconic Inc. Separation Transaction”) occurred on April 1, 2020. The financial results of Arconic Corporation for all periods prior to the Arconic Inc. Separation Transaction have been retrospectively reflected in the Statement of Consolidated Operations as discontinued operations and, as such, have been excluded from continuing operations and segment results for all periods presented. The cash flows, comprehensive income, and equity related to Arconic Corporation have not been segregated and are included in the Statement of Consolidated Cash Flows, Statement of Consolidated Comprehensive Income and Statement of Changes in Consolidated Equity, respectively, for all periods prior to the Arconic Inc. Separation Transaction. See Note B for additional information related to the Arconic Inc. Separation Transaction and discontinued operations.

For the six months ended June 30, 2021 and 2020, the Company derived approximately 60% and 70%, respectively, of its revenue from products sold to the aerospace end-market. As a result of the global coronavirus (“COVID-19”) pandemic and its impact on the aerospace industry to-date, the possibility exists that there could be a sustained impact to our operations and financial results. Since the start of the pandemic, certain original equipment manufacturer (“OEM”) customers have reduced production or suspended manufacturing operations in North America and Europe on a temporary basis. While the pandemic has resulted in the temporary closure of a small number of the Company’s manufacturing facilities during 2020, all of our manufacturing facilities are currently operating. Since the duration of the pandemic is uncertain, management has taken a series of actions to address the financial impact, including announcing certain headcount reductions and reducing the level of capital expenditures to preserve cash and maintain liquidity.

The preparation of the Consolidated Financial Statements of the Company in conformity with GAAP requires management to make certain judgments, estimates, and assumptions. These estimates are based on historical experience and, in some cases, assumptions based on current and future market experience, including considerations relating to the impact of COVID-19. The impact of COVID-19 is rapidly changing and of unknown duration and macroeconomic impact and as a result, these considerations remain highly uncertain. Management has made its best estimates using all relevant information available at the time, but it is possible that our estimates will differ from our actual results and affect the Consolidated Financial Statements in future periods and potentially require adverse adjustments to the recoverability of goodwill, intangible and long-lived assets, the realizability of deferred tax assets and other judgments and estimations and assumptions that may be impacted by COVID-19.

As previously disclosed, during the third quarter of 2020, the Company identified a misclassification in the presentation of changes in accounts payable and capital expenditures in its previously issued Statement of Consolidated Cash Flows for the six months ended June 30, 2020. Although management has determined that such misclassification was not material, the Company revised the accompanying Statement of Consolidated Cash Flows for the six months ended June 30, 2020, resulting in an \$83 increase to previously reported capital expenditures and decrease to cash provided from investing activities with a corresponding reduction (decrease) in accounts payable, trade and increase in cash provided by operations.

Also as previously disclosed, in the third quarter of 2020, a \$16 deferred tax error was identified related to periods prior to 2018. Although management determined it was not material to any periods, the Company has revised the accompanying Statement of Changes in Consolidated Equity for the three and six months ended June 30, 2020 to present the correction as a reduction to Retained earnings as of December 31, 2019.

B. Arconic Inc. Separation Transaction and Discontinued Operations

On April 1, 2020, the Company completed the separation of its business into two independent, publicly-traded companies. Following the Arconic Inc. Separation Transaction, Arconic Corporation held the Global Rolled Products (“GRP”) businesses (global rolled products, aluminum extrusions, and building and construction systems) previously held by the Company. The

Company retained the Engineered Products and Forgings businesses (engine products, fastening systems, engineered structures, and forged wheels).

The Company's Board of Directors approved the completion of the separation on February 5, 2020, which was effected by the distribution (the "Distribution") by the Company of all of the outstanding common stock of Arconic Corporation on April 1, 2020 to the Company's stockholders who held shares as of the close of business on March 19, 2020 (the "Record Date"). In the Distribution, each Company stockholder of record as of the Record Date received one share of Arconic Corporation common stock for every four shares of the Company's common stock held as of the Record Date. The Company did not issue fractional shares of Arconic Corporation common stock in the Distribution. Instead, each stockholder otherwise entitled to a fractional share of Arconic Corporation common stock received cash in lieu of fractional shares.

In connection with the Arconic Inc. Separation Transaction, the Company entered into several agreements with Arconic Corporation that govern the relationship between the Company and Arconic Corporation following the Distribution, including the following: a Separation and Distribution Agreement, Tax Matters Agreement, Employee Matters Agreement, certain Patent, Know-How, Trade Secret License and Trademark License Agreements, and Raw Material Supply Agreements.

On February 7, 2020, Arconic Corporation completed an offering of \$600 aggregate principal amount of 6.125% senior secured second-lien notes due 2028. On March 25, 2020, Arconic Corporation entered into a credit agreement which provided for a \$600 aggregate principal amount seven-year senior secured first-lien loan B facility and a revolving credit facility which is guaranteed by certain of Arconic Corporation's wholly-owned domestic subsidiaries and secured on a first-priority basis by liens on substantially all assets of Arconic Corporation and subsidiary guarantors. Arconic Corporation used the proceeds to make payment to the Company to fund the transfer of certain assets to Arconic Corporation relating to the Arconic Inc. Separation Transaction and for general corporate purposes. The Company incurred debt issuance costs of \$45 associated with these issuances for the first quarter of 2020.

On February 1, 2020, the Company completed the sale of its rolling mill in Itapissuma, Brazil for \$50 in cash which resulted in a loss of \$59, of which \$53 was recognized in Restructuring and other charges within discontinued operations in the second half of 2019 and \$6 in the first quarter of 2020. On March 1, 2020, Arconic Corporation sold its hard alloy extrusions plant in South Korea for \$62 in cash, which resulted in a \$27 gain that was recognized in Restructuring and other charges within discontinued operations in the first quarter of 2020.

Discontinued Operations

The results of operations of Arconic Corporation are presented as discontinued operations in the Statement of Consolidated Operations as summarized below:

	Second quarter ended June 30, 2020	Six months ended June 30, 2020
Sales	\$ —	\$ 1,575
Cost of goods sold	—	1,293
Selling, general administrative, research and development and other expenses	5	106
Provision for depreciation and amortization	—	58
Restructuring and other charges	—	(18)
Operating (loss) income from discontinued operations	(5)	136
Interest expense	—	7
Other expense, net	—	41
(Loss) income from discontinued operations	(5)	88
Provision for income taxes	7	38
(Loss) income from discontinued operations after income taxes	\$ (12)	\$ 50

The following table presents purchases of properties, plants, and equipment, proceeds from the sale of businesses and the provision for depreciation and amortization of discontinued operations related to Arconic Corporation:

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2020		2020	
Capital expenditures	\$	—	\$	72
Proceeds from the sales of businesses	\$	—	\$	112
Provision for depreciation and amortization	\$	—	\$	58

The cash flows and equity related to Arconic Corporation have not been segregated and are included in the Statement of Consolidated Cash Flows or Statement of Comprehensive Income for all periods presented prior to the Arconic Inc. Separation Transaction.

C. Recently Adopted and Recently Issued Accounting Guidance

Adopted

On January 1, 2021, the Company adopted changes issued by the Financial Accounting Standards Board (“FASB”) that were intended to simplify various aspects of accounting for income taxes by eliminating certain exceptions contained in existing guidance and amending other guidance to simplify several other income tax accounting matters. The adoption of this new guidance did not have a material impact on the Consolidated Financial Statements.

Issued

In March 2020, the FASB issued amendments that provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform, if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference London Inter-bank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. Management is currently evaluating the potential impact of these changes on the Consolidated Financial Statements.

D. Segment Information

Howmet is a global leader in lightweight metals engineering and manufacturing. Howmet’s innovative, multi-material products, which include nickel, titanium, aluminum, and cobalt, are used worldwide in the aerospace (commercial and defense), commercial transportation, and industrial and other end markets. Segment performance under Howmet’s management reporting system is evaluated based on a number of factors; however, the primary measure of performance is Segment operating profit. Howmet’s definition of Segment operating profit is Operating income excluding Special items. Special items include Restructuring and other charges. Segment operating profit may not be comparable to similarly titled measures of other companies. Differences between segment totals and consolidated Howmet are in Corporate.

Howmet’s operations consist of four worldwide reportable segments as follows:

Engine Products

Engine Products produces investment castings, including airfoils, and seamless rolled rings primarily for aircraft engines and industrial gas turbines. Engine Products produces rotating parts as well as structural parts.

Fastening Systems

Fastening Systems produces aerospace fastening systems, as well as commercial transportation, industrial and other fasteners. The business’s high-tech, multi-material fastening systems are found nose to tail on aircraft and aero engines. The business’s products are also critical components of commercial transportation vehicles, automobiles, construction and industrial equipment and renewable energy sector.

Engineered Structures

Engineered Structures produces titanium ingots and mill products for aerospace and defense applications and is vertically integrated to produce titanium forgings, extrusions forming and machining services for airframe, wing, aero-engine, and landing gear components. Engineered Structures also produces aluminum forgings, nickel forgings, and aluminum machined components and assemblies for aerospace and defense applications.

Forged Wheels

Forged Wheels provides forged aluminum wheels and related products for heavy-duty trucks and the commercial transportation markets.

Goodwill

The Company had \$4,090 of Goodwill at June 30, 2021 and reviews it annually for impairment in the fourth quarter, or more frequently, if indicators exist or if a decision is made to sell or realign a business.

On January 1, 2020, management transferred the Savannah business from the Engine Products segment to the Engineered Structures segment, based on synergies with forgings technologies and manufacturing capabilities. As a result of the reorganization, goodwill of \$17 was reallocated from Engine Products to Engineered Structures, and these reporting units were evaluated for impairment during the first quarter of 2020. The estimated fair value of each of these reporting units substantially exceeded their carrying value; thus, there was no goodwill impairment at the date the business was transferred.

During the first quarter of 2020, Howmet's market capitalization declined significantly compared to the fourth quarter of 2019. Over the same period, the equity value of our peer group companies, and the overall U.S. stock market also declined significantly amid market volatility. In addition, as a result of the COVID-19 pandemic and measures designed to contain the spread, global sales to customers in the aerospace and commercial transportation industries impacted by COVID-19 have been and are expected to be negatively impacted compared to 2019 as a result of disruption in demand. As a result of these macroeconomic factors, we performed a qualitative impairment test to evaluate whether it is more likely than not that the fair value of any of our reporting units is less than its carrying value. As a result of this assessment, the Company performed a quantitative impairment test in the first quarter of 2020 for the Engineered Structures reporting unit and concluded that though the margin between the fair value of the reporting unit and carrying value had declined from approximately 60% to approximately 15%, it was not impaired. Consistent with prior practice, a discounted cash flow model was used to estimate the current fair value of the reporting unit. The significant assumptions and estimates utilized to determine fair value were developed utilizing current market and forecast information reflecting the disruption in demand that has and is expected to negatively impact the Company's sales globally in the aerospace industry. If our actual results or external market factors decline significantly from management's estimates, future goodwill impairment charges may be necessary and could be material. Since the first quarter of 2020, there have been no indicators of impairment identified for the Engineered Structures reporting unit or any other reporting units or indefinite-lived intangible assets.

The operating results of the Company's reportable segments were as follows. Differences between total segment and consolidated totals are in Corporate.

	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
Second quarter ended June 30, 2021					
Sales:					
Third-party sales	\$ 544	\$ 262	\$ 160	\$ 229	\$ 1,195
Inter-segment sales	1	—	2	—	3
Total sales	\$ 545	\$ 262	\$ 162	\$ 229	\$ 1,198
Profit and loss:					
Segment operating profit	\$ 100	\$ 50	\$ 11	\$ 61	\$ 222
Restructuring and other charges	5	3	—	—	8
Provision for depreciation and amortization	30	13	13	9	65
Capital expenditures	16	9	5	13	43
Second quarter ended June 30, 2020					
Sales:					
Third-party sales	\$ 585	\$ 326	\$ 229	\$ 113	\$ 1,253
Inter-segment sales	1	—	2	—	3
Total sales	\$ 586	\$ 326	\$ 231	\$ 113	\$ 1,256
Profit and loss:					
Segment operating profit	\$ 105	\$ 70	\$ 19	\$ 6	\$ 200
Restructuring and other charges (credits)	22	24	(5)	1	42
Provision for depreciation and amortization	31	12	14	9	66
Capital expenditures	14	7	5	4	30
	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
Six months ended June 30, 2021					
Sales:					
Third-party sales	\$ 1,078	\$ 534	\$ 336	\$ 456	\$ 2,404
Inter-segment sales	2	—	3	—	5
Total sales	\$ 1,080	\$ 534	\$ 339	\$ 456	\$ 2,409
Profit and loss:					
Segment operating profit	\$ 201	\$ 95	\$ 21	\$ 131	\$ 448
Restructuring and other charges	10	5	1	—	16
Provision for depreciation and amortization	61	25	25	19	130
Capital expenditures	27	14	10	22	73
Six months ended June 30, 2020					
Sales:					
Third-party sales	\$ 1,366	\$ 711	\$ 504	\$ 304	\$ 2,885
Inter-segment sales	3	—	5	—	8
Total sales	\$ 1,369	\$ 711	\$ 509	\$ 304	\$ 2,893
Profit and loss:					
Segment operating profit	\$ 270	\$ 166	\$ 47	\$ 56	\$ 539
Restructuring and other charges	35	26	12	3	76
Provision for depreciation and amortization	61	24	27	19	131
Capital expenditures	33	15	8	11	67

The following table reconciles Total segment operating profit to Income (loss) from continuing operations before income taxes:

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Total segment operating profit	\$ 222	\$ 200	\$ 448	\$ 539
Unallocated amounts:				
Restructuring and other charges	(5)	(105)	(14)	(144)
Corporate expense	(10)	(21)	(38)	(63)
Consolidated operating income	\$ 207	\$ 74	\$ 396	\$ 332
Interest expense	(89)	(144)	(161)	(228)
Other (expense) income, net	(8)	(16)	(12)	8
Income (loss) from continuing operations before income taxes	\$ 110	\$ (86)	\$ 223	\$ 112

The following table reconciles Total segment capital expenditures, which are presented on an accrual basis, with Capital expenditures as presented on the Statement of Consolidated Cash Flows. Differences between segment and consolidated totals are in Corporate and discontinued operations, including the impact of changes in accrued capital expenditures during the period.

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Total segment capital expenditures	\$ 43	\$ 30	\$ 73	\$ 67
Corporate and discontinued operations	(7)	2	18	117
Capital expenditures	\$ 36	\$ 32	\$ 91	\$ 184

The following table disaggregates segment revenue by major end market served. Differences between total segment and consolidated totals are in Corporate.

	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
Second quarter ended June 30, 2021					
Aerospace - Commercial	\$ 260	\$ 129	\$ 79	\$ —	\$ 468
Aerospace - Defense	121	41	64	—	226
Commercial Transportation	—	49	—	229	278
Industrial and Other	163	43	17	—	223
Total end-market revenue	\$ 544	\$ 262	\$ 160	\$ 229	\$ 1,195
Second quarter ended June 30, 2020					
Aerospace - Commercial	\$ 312	\$ 224	\$ 144	\$ —	\$ 680
Aerospace - Defense	125	39	64	—	228
Commercial Transportation	—	34	—	113	147
Industrial and Other	148	29	21	—	198
Total end-market revenue	\$ 585	\$ 326	\$ 229	\$ 113	\$ 1,253
Six months ended June 30, 2021					
Aerospace - Commercial	\$ 487	\$ 277	\$ 159	\$ —	\$ 923
Aerospace - Defense	272	83	141	—	496
Commercial Transportation	—	95	—	456	551
Industrial and Other	319	79	36	—	434
Total end-market revenue	\$ 1,078	\$ 534	\$ 336	\$ 456	\$ 2,404
Six months ended June 30, 2020					
Aerospace - Commercial	\$ 819	\$ 481	\$ 328	\$ —	\$ 1,628
Aerospace - Defense	252	83	134	—	469
Commercial Transportation	—	80	—	304	384
Industrial and Other	295	67	42	—	404
Total end-market revenue	\$ 1,366	\$ 711	\$ 504	\$ 304	\$ 2,885

The Company derived 59% and 73% of its revenue from aerospace end markets for the six months ended June 30, 2021 and 2020, respectively.

General Electric Company represented approximately 12% of the Company's third-party sales for both the six months ended June 30, 2021 and 2020, primarily from Engine Products.

E. Restructuring and Other Charges

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Layoff costs	\$ 2	\$ 54	\$ 2	\$ 76
Net reversals of previously recorded layoff reserves	(2)	(8)	(1)	(10)
Pension, Other post-retirement benefits and Deferred Compensation - net settlements (G)	3	64	6	64
Non-cash asset impairments	4	—	4	—
Net loss related to divestitures of assets and businesses (Q)	—	(7)	4	9
Other	(2)	2	(1)	5
Restructuring and other charges	\$ 5	\$ 105	\$ 14	\$ 144

In the second quarter and six months ended June 30, 2021, the Company recorded Restructuring and other charges of \$5 and \$14, respectively, which was primarily due to charges for pension plan settlements and exit related costs.

In the second quarter of 2020, the Company recorded Restructuring and other charges of \$105, which included a \$64 charge for pension plan settlements; a \$54 charge for layoff costs; and a \$2 charge for various other exit costs. These charges were partially offset by an \$8 benefit from the reversal of several existing layoff reserves and a \$7 benefit from the reversal of an impairment due to change in classification from held for sale to held for use related to an aerospace components business in the United Kingdom (U.K.).

In the six months ended June 30, 2020, the Company recorded Restructuring and other charges of \$144, which included a \$76 charge for layoff costs; a \$64 charge for pension plan settlements; a \$6 post-closing adjustment related to the sale of the Company's U.K. forgings business (which was formerly part of the Engine Products segment); \$5 for impairment of assets associated with an agreement to sell an aerospace components business in the U.K. (within the Engineered Structures segment); and a \$5 charge for various other exit costs. These charges were partially offset by a benefit of \$10 related to the reversal of prior period programs and a gain of \$2 on the sale of assets.

	Layoff costs	Other exit costs	Total
Reserve balances at December 31, 2020	\$ 54	\$ —	\$ 54
Cash payments	(32)	—	(32)
Restructuring charges	7	7	14
Other ⁽¹⁾	(8)	(7)	(15)
Reserve balances at June 30, 2021	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ 21</u>

⁽¹⁾ In the six months ended June 30, 2021, layoff costs included a \$6 charge for pension plan settlements and a \$2 charge for other layoffs costs; while other exit costs included a \$4 charge for impairment of assets associated with the sale of a small manufacturing business and a \$6 charge for other exit costs including accelerated depreciation, partially offset by a \$3 favorable working capital related settlement.

The remaining Layoff cost reserves are expected to be paid in cash by the end of 2021.

F. Other Expense (Income), Net

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Non-service related net periodic benefit cost	\$ 3	\$ 5	\$ 6	\$ 11
Interest income	(1)	—	(1)	(4)
Foreign currency losses (gains), net	1	(7)	3	(7)
Net loss from asset sales	1	2	4	4
Deferred compensation	4	7	6	(3)
Other, net	—	9	(6)	(9)
Other expense (income), net	<u>\$ 8</u>	<u>\$ 16</u>	<u>\$ 12</u>	<u>\$ (8)</u>

G. Pension and Other Postretirement Benefits

The components of net periodic benefit cost were as follows:

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Pension benefits				
Service cost	\$ 1	\$ 2	\$ 2	\$ 9
Interest cost	12	17	24	64
Expected return on plan assets	(23)	(24)	(46)	(94)
Recognized net actuarial loss	15	12	29	54
Settlements	3	64	6	64
Net periodic benefit cost ⁽¹⁾	8	71	15	97
Discontinued operations	—	—	—	20
Net amount recognized in continuing operations in Statement of Consolidated Operations	\$ 8	\$ 71	\$ 15	\$ 77
Other postretirement benefits				
Service cost	\$ 1	\$ 1	\$ 1	\$ 2
Interest cost	2	1	3	7
Recognized net actuarial loss	—	—	—	2
Amortization of prior service benefit	(3)	(1)	(4)	(3)
Net periodic benefit cost ⁽¹⁾	—	1	—	8
Discontinued operations	—	—	—	6
Net amount recognized in continuing operations in Statement of Consolidated Operations	\$ —	\$ 1	\$ —	\$ 2

⁽¹⁾ Service cost for continuing operations was included within Cost of goods sold, Selling, general administrative, and other expenses, and Research and development expenses; settlements and curtailments were included in Restructuring and other charges; and all other cost components were recorded in Other expense (income), net in the Statement of Consolidated Operations. The amounts included in Net periodic benefit cost include costs related to both continuing and discontinued operations for the six months ended June 30, 2020.

Pension benefits

In the second quarter of 2021, the Company applied settlement accounting to certain U.S. pension plans due to lump sum payments made to participants, which resulted in settlement charges of \$3 and \$6 in the second quarter and six months ended June 30, 2021, respectively, that were recorded in Restructuring and other charges.

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA 2021”) was signed into law in the United States. ARPA 2021, in part, provides temporary relief for employers who sponsor defined benefit pension plans related to funding contributions under the Employee Retirement Income Security Act of 1974. Management expects Howmet’s estimated pension contributions and other postretirement benefit payments in 2021 to be approximately \$120.

In the second quarter of 2020, the Company undertook a number of actions to reduce pension obligations in the U.K. by offering lump sum payments to certain plan participants and entering into group annuity contracts with a third party carrier to pay and administer future annuity payments. The Company applied settlement accounting to these U.K. pension plans which resulted in settlement charges of \$62 that were recorded in Restructuring and other charges in the Statement of Consolidated Operations. The Company also applied settlement accounting to a U.S. pension plan due to lump sum payments to participants which resulted in settlement charges of \$2 that were recorded in Restructuring and other charges.

Other postretirement benefits

In the first quarter of 2021, the Company announced a plan administration change of certain of its Medicare-eligible prescription drug benefits to an Employer Group Waiver Plan with wrap-around secondary plan effective July 1, 2021. The administration change is expected to reduce costs to the Company through the usage of Medicare Part D and drug manufacturer subsidies. Due to this amendment, along with the associated plan remeasurements, the Company recorded a decrease to its

Accrued other postretirement benefits liability of \$39, which was offset in Accumulated other comprehensive loss in the Consolidated Balance Sheet.

In the second quarter of 2020, the Company communicated to plan participants that for its U.S. salaried and non-bargained hourly retirees of the Company and its subsidiaries, it would eliminate certain health care subsidies effective December 31, 2021 and that for certain bargained retirees of the Company, it would eliminate certain health care subsidies effective December 31, 2021 and the life insurance benefit effective August 1, 2020. As a result of these changes, in the second quarter of 2020, the Company recorded a decrease to the Accrued other postretirement benefits liability of \$6, which was offset in Accumulated other comprehensive loss.

H. Income Taxes

The Company's year-to-date tax provision is comprised of the most recent estimated annual effective tax rate applied to year-to-date pre-tax ordinary income. The tax impacts of unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, are recorded discretely in the interim period in which they occur. In addition, the tax provision is adjusted for the interim period impact of non-benefited pre-tax losses.

The estimated annual effective tax rate, before discrete items, applied to ordinary income was 29.1% in both the second quarter and six months ended June 30, 2021, and 36.1% in both the second quarter and six months ended June 30, 2020. The 2021 rate was higher than the U.S. federal statutory rate of 21% primarily due to additional estimated U.S. tax on Global Intangible Low-Taxed Income and other foreign earnings, incremental state tax and foreign taxes on earnings also subject to U.S. federal income tax, and nondeductible expenses. The 2020 rate was higher than the U.S. federal statutory rate of 21% primarily due to U.S. tax on foreign earnings, incremental state tax and foreign taxes on earnings also subject to U.S. federal income tax and higher nondeductible expenses.

For the second quarter of 2021 and 2020, the tax rate including discrete items was 32.7% (provision on income) and 2.3% (benefit on loss), respectively. For the second quarter of 2021, the Company recorded a discrete tax charge of \$4 related to a \$2 charge for a U.K. tax rate change and a net \$2 charge for other items. For the second quarter of 2020, the Company recorded a discrete tax benefit of \$10 related to a \$6 charge for the remeasurement of deferred tax balances in various jurisdictions as a result of the Arconic Inc. Separation Transaction and a net \$4 charge for prior year items.

For the six months ended June 30, 2021 and 2020, the tax rate including discrete items was 30.9% and 38.4% (both are provisions on income), respectively. For the six months ended June 30, 2021, the Company recorded a discrete tax charge of \$3 related to a \$2 charge for a U.K. tax rate change and a net charge of \$1 for other items. For the six months ended June 30, 2020, the Company recorded a discrete tax charge of \$2 related to a \$6 charge for the remeasurement of deferred tax balances in various jurisdictions as a result of the Arconic Inc. Separation Transaction, a net \$3 charge for prior year items, partially offset by a \$5 benefit related to stock compensation and a net \$2 benefit for other small items.

The tax provision (benefit) for the second quarter and six months ended June 30, 2021 and 2020 were comprised of the following:

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Pre-tax income (loss) at estimated annual effective income tax rate before discrete items	\$ 32	\$ (31)	\$ 65	\$ 40
Impact of change in estimated annual effective tax rate on previous quarter's pre-tax income	(1)	18	—	—
Interim period treatment of operational losses in foreign jurisdictions for which no tax benefit is recognized	1	1	1	1
Other discrete items	4	10	3	2
Provision (benefit) for income taxes	\$ 36	\$ (2)	\$ 69	\$ 43

I. Earnings Per Share

Basic earnings per share (“EPS”) amounts are computed by dividing earnings, after the deduction of preferred stock dividends declared, by the average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive share equivalents outstanding.

The information used to compute basic and diluted EPS attributable to Howmet common shareholders was as follows (shares in millions):

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net income (loss) from continuing operations attributable to common shareholders	\$ 74	\$ (84)	\$ 154	\$ 69
(Loss) income from discontinued operations	—	(12)	—	50
Net income (loss) attributable to common shareholders	74	(96)	154	119
Less: preferred stock dividends declared	1	—	1	1
Net income (loss) available to Howmet Aerospace common shareholders - basic and diluted	\$ 73	\$ (96)	\$ 153	\$ 118
Average shares outstanding - basic	432	436	433	436
Effect of dilutive securities:				
Stock options	1	—	1	—
Stock and performance awards	4	—	4	4
Average shares outstanding - diluted	437	436	438	440

Common stock outstanding at June 30, 2021 and 2020 was approximately 429 million and 436 million, respectively.

On May 20, 2019, the Company announced that its Board of Directors authorized the repurchase of \$500 of the Company's outstanding common stock (the “Share Repurchase Program”) by means of trading plans established from time to time in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, block trades, private transactions, open market repurchases and/or accelerated share repurchase agreements or other derivative transactions. There was no stated expiration for the Share Repurchase Program under which the Company may repurchase shares from time to time and pursuant to such terms, as and if it deems appropriate. The Share Repurchase Program may be suspended, modified or terminated at any time without prior notice. The decrease in common stock outstanding at June 30, 2021 was primarily due to the impact of share repurchases of approximately 6 million shares in the quarter ended June 30, 2021, which were purchased at an average price of \$34.02 per share for approximately \$200 in cash. All of the shares repurchased have been retired. After giving effect to the share repurchases made through June 30, 2021, approximately \$77 remains available under the prior authorizations by the Board of Directors for the Share Repurchase Program. As average shares outstanding are used in the calculation for both basic and diluted EPS, the full impact of share repurchases was not realized in EPS in the second quarter and six months ended June 30, 2021 as share repurchases occurred at varying points during the second quarter of 2021.

On July 19, 2021, the Company's Board of Directors declared a dividend of \$0.02 per share on the outstanding common stock of the Company, to be paid on August 25, 2021, to the holders of record of the common stock at the close of business on August 6, 2021.

The following shares were excluded from the calculation of average shares outstanding – diluted as their effect was anti-dilutive (shares in millions):

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Stock options ⁽¹⁾	—	3	—	3
Stock and performance awards	—	3	—	—

⁽¹⁾ The weighted average exercise price per share of options excluded from diluted EPS was \$26.04 as of June 30, 2020.

J. Accumulated Other Comprehensive Loss

The following table details the activity of the four components that comprise Accumulated other comprehensive loss:

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Pension and other postretirement benefits (G)				
Balance at beginning of period	\$ (938)	\$ (2,695)	\$ (980)	\$ (2,732)
Other comprehensive income:				
Unrecognized net actuarial gain (loss) and prior service cost/benefit	30	(60)	67	(59)
Tax (expense) benefit	(7)	8	(15)	8
Total Other comprehensive income (loss) before reclassifications, net of tax	23	(52)	52	(51)
Amortization of net actuarial loss and prior service cost ⁽¹⁾	15	74	31	117
Tax expense ⁽²⁾	(3)	(13)	(6)	(20)
Total amount reclassified from Accumulated other comprehensive loss, net of tax ⁽³⁾	12	61	25	97
Total Other comprehensive income	35	9	77	46
Transfer to Arconic Corporation	—	1,820	—	1,820
Balance at end of period	\$ (903)	\$ (866)	\$ (903)	\$ (866)
Foreign currency translation				
Balance at beginning of period	\$ (1,010)	\$ (661)	\$ (966)	\$ (596)
Foreign currency translation	18	(8)	(26)	(87)
Net amount reclassified from Accumulated other comprehensive loss ⁽⁴⁾	—	—	—	14
Other comprehensive income (loss)	18	(8)	(26)	(73)
Transfer to Arconic Corporation	—	(428)	—	(428)
Balance at end of period	\$ (992)	\$ (1,097)	\$ (992)	\$ (1,097)
Debt securities				
Balance at beginning of period	\$ —	\$ 1	\$ —	\$ —
Other comprehensive loss ⁽⁵⁾	—	(1)	—	—
Balance at end of period	\$ —	\$ —	\$ —	\$ —
Cash flow hedges				
Balance at beginning of period	\$ 7	\$ (14)	\$ 3	\$ (1)
Other comprehensive income (loss):				
Net change from periodic revaluations	11	3	19	(8)
Tax (expense) income	(2)	1	(4)	—
Total Other comprehensive income (loss) before reclassifications, net of tax	9	4	15	(8)
Net amount reclassified to earnings	(5)	5	(8)	4
Tax expense ⁽²⁾	—	—	1	—
Total amount reclassified from Accumulated other comprehensive (loss) income, net of tax ⁽³⁾	(5)	5	(7)	4
Total Other comprehensive income (loss)	4	9	8	(4)
Balance at end of period	\$ 11	\$ (5)	\$ 11	\$ (5)
Accumulated other comprehensive loss	\$ (1,884)	\$ (1,968)	\$ (1,884)	\$ (1,968)

- (1) These amounts were recorded in Other expense (income), net on the Statement of Consolidation Operations (see Note E).
- (2) These amounts were included in Provision (benefit) for income taxes on the Statement of Consolidated Operations.
- (3) A positive amount indicates a corresponding charge to earnings and a negative amount indicates a corresponding benefit to earnings.
- (4) Foreign currency translation charges were included in Restructuring and other charges on the Statement of Consolidated Operations due to the sale of foreign entities.
- (5) Realized gains and losses were included in Other expense (income), net on the Statement of Consolidated Operations.

K. Receivables

Sale of Receivables Programs

The Company has two accounts receivables securitization arrangements.

The first is an arrangement with financial institutions to sell certain customer receivables without recourse on a revolving basis (the "Receivables Sale Program"). The sale of such receivables is completed using a bankruptcy remote special purpose entity, which is a consolidated subsidiary of the Company. This arrangement historically provided up to a maximum funding of \$400 for receivables sold. The Company maintains a beneficial interest, or a right to collect cash, on the sold receivables that have not been funded (deferred purchase program receivable).

In the first quarter of 2020, the Company entered into an amendment to remove subsidiaries of the GRP business from the sale of receivables program in preparation for the Arconic Inc. Separation Transaction and repurchased the remaining \$282 unpaid receivables of GRP customers in a non-cash transaction by reducing the amount of the deferred purchase program receivable. This amendment also reduced the maximum funding for receivables sold to \$300. The concentration limit of one customer may be reduced at the discretion of the financial institutions or automatically upon the downgrade of its debt rating as defined in the Receivables Sale Program agreement. A reduction in the customer's concentration limit would reduce the eligible receivable funding base thereby reducing the amount of future draws available and may require repayment of a portion of existing draws.

The Company had net cash repayments totaling \$22 (\$41 in draws and \$63 in repayments) and \$136 (\$138 in draws and \$274 in repayments) for the six months ended June 30, 2021 and June 30, 2020, respectively.

As of June 30, 2021 and December 31, 2020, the deferred purchase program receivable was \$49 and \$12, respectively, which was included in Other receivables on the accompanying Consolidated Balance Sheet. The deferred purchase program receivable is reduced as collections of the underlying receivables occur; however, as this is a revolving program, the sale of new receivables will result in an increase in the deferred purchase program receivable. The Company services the customer receivables for the financial institutions at market rates; therefore, no servicing asset or liability was recorded.

Cash receipts from customer payments on sold receivables (which are cash receipts on the underlying trade receivables that have been previously sold) as well as cash receipts and cash disbursements from draws and repayments under the program are presented as cash receipts from sold receivables within investing activities in the Statement of Consolidated Cash Flows.

The second arrangement is one in which the Company, through a wholly-owned special purpose entity ("SPE"), has a receivables purchase agreement (the "Receivables Purchase Agreement") such that the SPE may sell certain receivables to financial institutions until the earlier of March 30, 2022 or a termination event. The Receivables Purchase Agreement also contains customary representations and warranties, as well as affirmative and negative covenants. Pursuant to the Receivables Purchase Agreement, the Company does not maintain effective control over the transferred receivables, and therefore accounts for these transfers as sales of receivables.

The SPE sold \$71 and \$155 of its receivables without recourse and received cash funding under this program during the second quarter and six months ended June 30, 2021, respectively, resulting in derecognition of the receivables from the Company's Consolidated Balance Sheets. As of June 30, 2021 and December 31, 2020, \$68 and \$46 remained outstanding from the customer, respectively. Cash received from collections of sold receivables is used by the SPE to fund additional purchases of receivables on a revolving basis, not to exceed \$125, which is the aggregate maximum limit. As collateral against the sold receivables, the SPE maintains a certain level of unsold receivables, which was \$10 and \$33 at June 30, 2021 and December 31, 2020, respectively. Costs associated with the sales of receivables are reflected in the Company's Consolidated Statements of Operations for the periods in which the sales occur. Cash receipts from sold receivables under the Receivables Purchase Agreement are presented within operating activities in the Statement of Consolidated Cash Flows.

The Company had accounts receivable securitization arrangements totaling \$425 at both June 30, 2021 and December 31, 2020, of which \$250 was drawn at June 30, 2021 and at December 31, 2020. The net cash funding from the sale of accounts receivable was neither a use of cash nor a source of cash in 2021.

Other Customer Receivable Sales

In the second quarter and six months ended June 30, 2021, the Company sold \$98 and \$164, respectively, of certain customers' receivables in exchange for cash (of which \$92 remained outstanding from the customers at June 30, 2021), the proceeds from which are presented in changes in receivables within operating activities in the Statement of Consolidated Cash Flows. In the second quarter and six months ended June 30, 2020, the Company sold \$58 and \$89, respectively, of certain customers' receivables in exchange for cash, the proceeds from which are presented in changes in receivables within operating activities in the Statement of Consolidated Cash Flows.

L. Inventories

	June 30, 2021	December 31, 2020
Finished goods	\$ 500	\$ 528
Work-in-process	656	629
Purchased raw materials	263	292
Operating supplies	37	39
Total inventories	<u>\$ 1,456</u>	<u>\$ 1,488</u>

At June 30, 2021 and December 31, 2020, the portion of inventories valued on a last-in, first-out ("LIFO") basis was \$490 and \$458, respectively. If valued on an average-cost basis, total inventories would have been \$152 and \$131 higher at June 30, 2021 and December 31, 2020, respectively.

M. Properties, Plants, and Equipment, net

	June 30, 2021	December 31, 2020
Land and land rights	\$ 92	\$ 98
Structures	1,025	1,033
Machinery and equipment	3,910	3,879
	5,027	5,010
Less: accumulated depreciation and amortization	<u>2,701</u>	<u>2,626</u>
	2,326	2,384
Construction work-in-progress	189	208
Properties, plants, and equipment, net	<u>\$ 2,515</u>	<u>\$ 2,592</u>

The Company incurred capital expenditures which remained unpaid at June 30, 2021 and June 30, 2020 of \$39 and \$29, respectively, which result in cash outflows for investing activities in subsequent periods.

N. Leases

Operating lease cost, which includes short-term leases and variable lease payments and approximates cash paid, was \$16 and \$18 in the second quarter of 2021 and 2020, respectively. Operating lease cost, which includes short-term leases and variable lease payments and approximates cash paid, was \$33 and \$36 in the six months ended June 30, 2021 and 2020, respectively.

Operating lease right-of-use assets and lease liabilities in the Consolidated Balance Sheet were as follows:

	June 30, 2021	December 31, 2020
Right-of-use assets classified in Other noncurrent assets	\$ 123	\$ 131
Current portion of lease liabilities classified in Other current liabilities	36	38
Long-term portion of lease liabilities classified in Other noncurrent liabilities	93	100
Total lease liabilities	<u>\$ 129</u>	<u>\$ 138</u>

O. Debt

	June 30, 2021	December 31, 2020
5.400% Notes, due 2021 ⁽¹⁾	\$ —	\$ 361
5.870% Notes, due 2022 ⁽²⁾	—	476
5.125% Notes, due 2024	1,250	1,250
6.875% Notes, due 2025	1,200	1,200
5.900% Notes, due 2027	625	625
6.750% Bonds, due 2028	300	300
5.950% Notes due 2037	625	625
4.750% Iowa Finance Authority Loan, due 2042	250	250
Other ⁽³⁾	(10)	(12)
	4,240	5,075
Less: amount due within one year	13	376
Total long-term debt	\$ 4,227	\$ 4,699

(1) Redeemed on January 15, 2021.

(2) Redeemed on May 3, 2021.

(3) Includes various financing arrangements related to subsidiaries, unamortized debt discounts and unamortized debt issuance costs related to outstanding notes and bonds listed in the table above.

Public Debt.

On April 6, 2020, the Company completed the early redemption of all \$1,000 of its 6.150% Notes due 2020 (the “6.150% Notes”) and the early partial redemption of \$300 of its 5.400% Notes due 2021 (the “5.400% Notes”). Holders of the 6.150% Notes were paid an aggregate of \$1,020 and holders of the 5.400% Notes were paid an aggregate of \$315, plus accrued and unpaid interest up to, but not including, the redemption date. The Company incurred early termination premium and accrued interest of \$35 and \$17, respectively, which has been recorded in Interest expense, net during the second quarter ended June 30, 2020 in the Statement of Consolidated Operations.

On April 24, 2020, the Company completed an offering of \$1,200 aggregate principal amount of 6.875% Notes due 2025, the proceeds of which have been used to fund the cash tender offers noted above and to pay related transaction fees, including applicable premiums and expenses, with the remaining amount to be used for general corporate purposes. The Company incurred deferred financing costs of \$14 associated with the issuance in the second quarter of 2020.

On May 21, 2020, the Company completed a cash tender offer and redeemed \$589 and \$151 of principal amount of the 5.400% Notes and its 5.870% Notes due 2022 (the “5.870% Notes”), respectively. The amount of early tender premium and accrued interest associated with the notes accepted for early settlement were \$24 and \$4, respectively, which was recorded in Interest expense, net during the second quarter ended June 30, 2020 in the Statement of Consolidated Operations.

On January 15, 2021, the Company completed the early redemption of all the remaining \$361 of its 5.400% Notes at par and paid \$5 in accrued interest.

On May 3, 2021, the Company completed the early redemption of all the remaining \$476 aggregate principal amount of its 5.870% Notes and paid an aggregate of \$503, including \$5 of accrued interest. The Company also incurred an early termination premium and other costs of \$23, which was recorded in Interest expense, net in the second quarter of 2021.

On an annual basis, the redemption of the 5.400% Notes and the 5.870% Notes will decrease Interest expense, net by approximately \$47.

Credit Facilities.

During 2020, the Company entered into several amendments to its Five-Year Revolving Credit Agreement (the “Credit Agreement”) to permit the Arconic Inc. Separation Transaction and to amend certain terms of the Credit Agreement, including a change to the existing financial covenant, a reduction of total commitments available from \$3,000 to \$1,000 and extension of the maturity date from June 29, 2023 to April 1, 2025. On March 29, 2021, the Company entered into another amendment to its Credit Agreement to provide extended relief from its existing financial covenant for the quarters ended March 31, 2021 through December 31, 2022.

The Company is required to maintain a ratio of Consolidated Net Debt (as defined in the Credit Agreement) to Consolidated EBITDA (as defined in the Credit Agreement) as of each fiscal quarter for the period of the four fiscal quarters of the Company most recently ended as follows:

	<u>No greater than</u>
(i) for the quarter ending June 30, 2021	5.50 to 1.00
(ii) for the quarter ending September 30, 2021	5.00 to 1.00
(iii) for the quarter ending December 31, 2021	4.75 to 1.00
(iv) for the quarter ending March 31, 2022	4.50 to 1.00
(v) for the quarter ending June 30, 2022	4.50 to 1.00
(vi) for the quarter ending September 30, 2022	4.25 to 1.00
(vii) for the quarter ending December 31, 2022	3.75 to 1.00
(viii) for the quarter ending March 31, 2023 and thereafter	3.50 to 1.00

Under the March 2021 amendment to the Credit Agreement, during the covenant relief period through December 31, 2022 (unless the Company ends the covenant relief period earlier in accordance with the amendment), common stock dividends (see Note J) and share repurchases (see Note J) are permitted only if no loans under the Credit Agreement are outstanding at the time and are limited to an aggregate amount not to exceed \$250 during the year ending December 31, 2021 with an incremental amount of \$400 available during the year ending December 21, 2022 provided that any amount that remains unused as of December 31, 2021 may be carried forward and used during the year ending December 31, 2022.

There were no amounts outstanding at June 30, 2021 or December 31, 2020, and no amounts were borrowed during 2021 or 2020 under the Credit Agreement. At June 30, 2021, the Company was in compliance with all covenants under the Credit Agreement. Availability under the Credit Agreement could be reduced in future periods if the Company fails to maintain the required ratios referenced above.

P. Fair Value of Financial Instruments

The carrying values of Cash and cash equivalents, Restricted cash, Derivatives, Noncurrent receivables, and Short-term debt included in the Consolidated Balance Sheet approximate their fair value. The Company holds exchange-traded fixed income securities which are considered available-for-sale securities that are carried at fair value which is based on quoted market prices which are classified in Level 1 of the fair value hierarchy. The fair value of Long-term debt, less amount due within one year was based on quoted market prices for public debt and on interest rates that are currently available to Howmet for issuance of debt with similar terms and maturities for non-public debt. The fair value amounts for all Long-term debt were classified in Level 2 of the fair value hierarchy.

	<u>June 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
Long-term debt, less amount due within one year	\$ 4,227	\$ 4,886	\$ 4,699	\$ 5,426

Restricted cash, which was included in Prepaid expenses and other current assets in the Consolidated Balance Sheet, was \$1 at both June 30, 2021 and December 31, 2020.

Q. Divestitures

2021 Divestiture

On June 1, 2021, the Company completed the sale of a small manufacturing plant in France within the Fastening Systems segment for \$10 (of which \$8 of cash was received in the second quarter of 2021), subject to working capital and other adjustments. An agreement to sell was reached on March 15, 2021, which resulted in a charge of \$4 related to the non-cash impairment of the net book value of the business, primarily goodwill, in the first quarter of 2021 which was recorded in Restructuring and other charges in the Statement of Consolidated Operations.

2020 Divestiture

On January 31, 2020, the Company reached an agreement to sell a small manufacturing plant in the U.K. within the Engineered Structures segment for \$12 in cash, and therefore was classified as held for sale. As a result of entering into the agreement, a charge of \$12 was recognized related to a non-cash impairment of the net book value of the business, primarily properties, plants, and equipment in the first quarter of 2020, which was recorded in Restructuring and other charges in the Statement of Consolidated Operations. As the sale did not close, the Company changed the classification from held for sale to held for use in

the second quarter of 2020 and recorded these assets at their lower of carrying value (assuming no initial reclassification for held for sale was made) or fair value. The result was a reversal of \$7 related to a non-cash impairment in the second quarter of 2020. These charges were recorded in Restructuring and other charges in the Statement of Consolidated Operations.

R. Contingencies and Commitments

Contingencies

The following information supplements and, as applicable, updates the discussion of the contingencies and commitments in Note V to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2020 (the "Form 10-K"), and should be read in conjunction with the complete descriptions provided in the Form 10-K.

Environmental Matters

Howmet participates in environmental assessments and cleanups at more than 30 locations. These include owned or operating facilities and adjoining properties, previously owned or operating facilities and adjoining properties, and waste sites, including Superfund (Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA")) sites.

A liability is recorded for environmental remediation when a cleanup program becomes probable and the costs can be reasonably estimated. As assessments and cleanups proceed, the liability is adjusted based on progress made in determining the extent of remedial actions and related costs. The liability can change substantially due to factors such as the nature and extent of contamination, changes in remedial requirements, and technological changes, among others.

The Company's remediation reserve balance was \$10 at both June 30, 2021 and December 31, 2020, recorded in Other noncurrent liabilities and deferred credits in the Consolidated Balance Sheet (of which \$6 and \$5, respectively, were classified as a current liability), and reflects the most probable costs to remediate identified environmental conditions for which costs can be reasonably estimated. Payments related to remediation expenses applied against the reserve were less than \$1 in the second quarter ended June 30, 2021 and included expenditures currently mandated, as well as those not required by any regulatory authority or third party.

Included in annual operating expenses are the recurring costs of managing hazardous substances and environmental programs. These costs are estimated to be less than 1% of Cost of goods sold.

Reynobond PE

The Company is indemnified for all potential liabilities associated with the fire at the Grenfell Tower in London, U.K., which occurred on June 14, 2017, by Arconic Corporation pursuant to the Separation and Distribution Agreement dated March 31, 2020, including, with respect to the following legal proceedings, as updated from the Form 10-K:

United Kingdom Litigation (various claims on behalf of survivors and estates of decedents). These suits have been further stayed until a hearing can be held by the relevant court on the first available date after April 4, 2022.

Howard v. Arconic Inc. et al. (securities law related claims). As described in the Form 10-K, lead plaintiffs in this case, which alleges violations of the federal securities law, filed an amended complaint ("Second Amended Complaint") in July of 2019 after the Company and the other defendants were granted a motion to dismiss the case, without prejudice. In the Second Amended Complaint, plaintiffs provided additional facts for the Court's consideration. On June 23, 2021, the Court ruled that certain claims related to a particular registration statement, other SEC filings, product brochures and websites can proceed. All other claims against the defendants were permanently dismissed, with prejudice. Defendants will file an answer to the Second Amended Complaint by August 12, 2021.

With respect to the *Behrens et al. v. Arconic Inc. et al.* (various claims on behalf of survivors and estates of decedents) and the *Raul v. Albaugh, et al.* (derivative related claim) proceedings, there are no updates.

Lehman Brothers International (Europe) ("LBIE") Claim. On June 26, 2020, LBIE filed formal proceedings against two Firth Rixson entities ("Firth") in the High Court of Justice, Business and Property Courts of England and Wales. The proceedings relate to interest rate swap transactions that Firth entered into with LBIE in 2007 to 2008. In 2008, LBIE commenced insolvency proceedings, an event of default under the agreements, rendering LBIE unable to meet its obligations under the swaps and suspending Firth's payment obligations. In the Court proceedings, LBIE seeks a declaration that Firth has a contractual obligation to pay the amounts owing to LBIE under the agreements upon its emergence from insolvency proceedings which is expected to occur by 2022, which LBIE claims to be approximately \$64, plus applicable interest. Firth will continue to maintain its position that multiple events of default under the agreements related to LBIE's insolvency proceeding cannot be cured or continue indefinitely, which the Company believes are meritorious defenses. The parties filed position papers on July 24, 2020 and October 19, 2020 (LBIE) and September 21, 2020 (Firth). A virtual hearing in this matter occurred on January 13 and 14, 2021 in London, England, and a ruling has yet to be issued to date. Given the importance of the case for LBIE and Firth, it is expected that irrespective of the outcome from the most recent hearing, the case will be appealed.

and any requirement for the parties to pay amounts under the agreements will be stayed. An appeal of the case could continue past the end of 2022 into 2023. The Company intends to vigorously defend against these claims.

Other

In addition to the matters discussed above, various other lawsuits, claims, and proceedings have been or may be instituted or asserted against the Company, including those pertaining to environmental, product liability, safety and health, employment, tax and antitrust matters. While the amounts claimed in these other matters may be substantial, the ultimate liability cannot currently be determined because of the considerable uncertainties that exist. Therefore, it is possible that the Company's liquidity or results of operations in a period could be materially affected by one or more of these other matters. However, based on facts currently available, management believes that the disposition of these other matters that are pending or asserted will not have a material adverse effect, individually or in the aggregate, on the results of operations, financial position or cash flows of the Company.

Commitments

Guarantees

At June 30, 2021, Howmet had outstanding bank guarantees related to tax matters, outstanding debt, workers' compensation, environmental obligations, energy contracts, and customs duties, among others. The total amount committed under these guarantees, which expire at various dates between 2021 and 2040, was \$18 at June 30, 2021.

Pursuant to the Separation and Distribution Agreement between Howmet and Alcoa Corporation, Howmet was required to provide certain guarantees for Alcoa Corporation, which had a fair value of \$6 and \$12 at June 30, 2021 and December 31, 2020, respectively, and were included in Other noncurrent liabilities and deferred credits on the accompanying Consolidated Balance Sheet. The Company was required to provide a guarantee up to an estimated present value amount of approximately \$1,435 and \$1,398 at June 30, 2021 and December 31, 2020, respectively. For this guarantee, subject to its provisions, the Company is secondarily liable in the event of a payment default by Alcoa Corporation. The Company currently views the risk of an Alcoa Corporation payment default on its obligations under the contract to be remote.

Letters of Credit

The Company has outstanding letters of credit, primarily related to workers' compensation, environmental obligations, accounts receivable securitization and leasing obligations. The total amount committed under these letters of credit, which automatically renew or expire at various dates, mostly in 2021, was \$133 at June 30, 2021.

Pursuant to the Separation and Distribution Agreements between the Company and Arconic Corporation and between the Company and Alcoa Corporation, the Company is required to retain letters of credit of \$53 that had previously been provided related to the Company, Arconic Corporation, and Alcoa Corporation workers' compensation claims which occurred prior to the respective separation transactions of April 1, 2020 and November 1, 2016. Arconic Corporation and Alcoa Corporation workers' compensation and letters of credit fees paid by the Company are being proportionally billed to and are being reimbursed by Arconic Corporation and Alcoa Corporation, respectively. Also, the Company was required to provide letters of credit for certain Arconic Corporation environmental obligations and, as a result, the Company has \$23 of outstanding letters of credit relating to liabilities (which are included in the \$133 in the above paragraph). \$6 of these outstanding letters of credit are pending cancellation and will be deemed cancelled once returned by the beneficiary. Arconic Corporation has issued surety bonds to cover these environmental obligations. Arconic Corporation is being billed for these letter of credit fees paid by the Company and will reimburse the Company for any payments made under these letters of credit.

Surety Bonds

The Company has outstanding surety bonds, primarily related to tax matters, contract performance, workers' compensation, environmental-related matters, and customs duties. The total amount committed under these annual surety bonds, which expire and automatically renew at various dates, primarily in 2021 and 2022, was \$46 at June 30, 2021.

Pursuant to the Separation and Distribution Agreements between the Company and Arconic Corporation and between the Company and Alcoa Corporation, the Company is required to provide surety bonds of \$25 (which are included in the \$46 in the above paragraph) that had previously been provided related to the Company, Arconic Corporation, and Alcoa Corporation workers' compensation claims which occurred prior to the respective separation transactions of April 1, 2020 and November 1, 2016. Arconic Corporation and Alcoa Corporation workers' compensation claims paid and surety bond fees paid by the Company are being proportionately billed to and are being reimbursed by Arconic Corporation and Alcoa Corporation.

S. Subsequent Events

Management evaluated all activity of Howmet and concluded that no subsequent events have occurred that would require recognition in the Consolidated Financial Statements or disclosure in the Notes to the Consolidated Financial Statements, except as noted below:

See Note [I](#) for the common stock dividend declaration.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

(dollars in millions, except per share amounts)

Overview

On April 1, 2020, Howmet Aerospace Inc. (formerly known as Arconic Inc.) (“Howmet” or the “Company”) completed the separation of its business into two independent, publicly-traded companies (the “Arconic Inc. Separation Transaction”). Following the Arconic Inc. Separation Transaction, Arconic Corporation holds the Global Rolled Products businesses (global rolled products, aluminum extrusions, and building and construction systems) previously held by the Company. The Company retained the Engineered Products and Forgings businesses (Engine Products, Engineered Structures, Fastening Systems, and Forged Wheels).

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations excludes the historical results of Arconic Corporation, as the Arconic Inc. Separation Transaction occurred on April 1, 2020. The financial results of Arconic Corporation for all periods prior to the Arconic Inc. Separation Transaction have been retrospectively reflected in the Statement of Consolidated Operations as discontinued operations and, as such, have been excluded from continuing operations and segment results for all periods presented. The cash flows, comprehensive income, and equity related to Arconic Corporation have not been segregated and are included in the Statement of Consolidated Cash Flows, Statement of Consolidated Comprehensive Income and Statement of Changes in Consolidated Equity, respectively, for all periods prior to the Arconic Inc. Separation Transaction.

COVID-19

Year-to-date 2021, the Company derived approximately 60% of its revenue from products sold to the aerospace end-market. As a result of the global coronavirus (“COVID-19”) pandemic and its impact on the aerospace industry to-date, the possibility exists that there could be a sustained impact to our operations and financial results. Since the start of the pandemic, certain original equipment manufacturer (“OEM”) customers have reduced production or suspended manufacturing operations in North America and Europe on a temporary basis. While the pandemic has resulted in the temporary closure of a small number of the Company’s manufacturing facilities during 2020, all of our manufacturing facilities are currently operating. Since the duration of the pandemic is uncertain, management has taken a series of actions to address the financial impact, including announcing certain headcount reductions and reducing the level of capital expenditures to preserve cash and maintain liquidity.

For additional information regarding the risks of COVID-19 on our business, see section Part I, Item 1A in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, “Risk Factors — Our business, results of operations, financial condition and/or cash flows have been and could continue to be materially adversely affected by the effects of the COVID-19 pandemic.”

Results of Operations

Earnings Summary:

Sales. Sales were \$1,195 in the second quarter of 2021 compared to \$1,253 in the second quarter of 2020 and \$2,404 in the six months ended June 30, 2021 compared to \$2,887 in the six months ended June 30, 2020. The decrease of \$58, or 5%, in the second quarter of 2021 was primarily due to lower sales volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by growth in the commercial transportation and industrial markets as well as favorable product pricing of \$21. The decrease of \$483, or 17%, in the six months ended June 30, 2021 was primarily due to lower sales volumes in the commercial aerospace market driven by the impact of COVID-19, and Boeing 737 MAX (“737 MAX”) and Boeing 787 production declines, partially offset by growth in the commercial transportation, defense aerospace, and industrial gas turbine markets as well as favorable product pricing of \$38.

Cost of goods sold (COGS). COGS as a percentage of Sales was 71.7% in the second quarter of 2021 compared to 73.7% in the second quarter of 2020 and 72.0% in the six months ended June 30, 2021 compared to 72.9% in the six months ended June 30, 2020. The decrease in the second quarter of 2021 and in the six months ended June 30, 2021 was primarily due to net cost savings and favorable product pricing. Additionally, the Company recorded total COGS reimbursements of \$2 and net charges of \$9 in the second quarter of 2020 and in the six months ended June 30, 2020, respectively, related to fires that occurred at a Fastening Systems’ plant in France in 2019 and at a Forged Wheels plant in Barberton, Ohio in mid-February 2020. The Company recorded total COGS reimbursements of \$3 and net charges of \$6 in the second quarter of 2021 and in the six months ended June 30, 2021, respectively, related to the fires in France and Barberton in 2021. The Company anticipates additional charges of approximately \$3 to \$7 in the third quarter of 2021, with further impacts in subsequent quarters as the businesses continue to recover from the fires.

Selling, general administrative, and other expenses (SG&A). SG&A expenses were \$55 in the second quarter of 2021 compared to \$74 in the second quarter of 2020 and \$120 in the six months ended June 30, 2021 compared to \$153 in the six months ended June 30, 2020. The decrease of \$19, or 26%, in the second quarter of 2021 and \$33, or 22%, in the six months ended June 30,

2021 was primarily due to overhead cost reductions as well as costs incurred in the second quarter and six months ended June 30, 2020 associated with the Arconic Inc. Separation Transaction.

Research and development expenses (R&D). R&D expenses were \$4 in both the second quarter of 2021 and the second quarter of 2020. R&D expenses were \$9 in the six months ended June 30, 2021 compared to \$8 in the six months ended June 30, 2020, an increase of \$1, or 13%.

Restructuring and other charges. Restructuring and other charges were \$5 in the second quarter of 2021 compared to \$105 in the second quarter of 2020 or a decrease of \$100 and \$14 in the six months ended June 30, 2021 compared to \$144 in the six months ended June 30, 2020 or a decrease of \$130.

Restructuring and other charges for the second quarter and six months ended June 30, 2021 were primarily due to charges for pension plan settlements and exit related costs.

Restructuring and other charges for the second quarter of 2020 were primarily comprised of a \$64 charge for pension plan settlements and a \$54 charge for layoff costs. These charges were partially offset by an \$8 benefit from the reversal of several existing layoff reserves and a \$7 benefit from the reversal of an impairment due to change in classification from held for sale to held for use related to a United Kingdom (U.K.) plant.

Restructuring and other charges in the six months ended June 30, 2020 were primarily comprised of a \$76 charge for layoff costs, a \$64 charge for pension plan settlements, a \$6 post-closing adjustment related to the sale of the Company's U.K. forgings business (which was formerly part of the Engine Products segment), \$5 for impairment of assets associated with an agreement to sell an aerospace components business in the U.K. (within the Engineered Structures segment), and a \$5 charge for various other exit costs. These charges were partially offset by a benefit of \$10 related to the reversal of a number of prior period programs.

See Note E to the Consolidated Financial Statements for additional detail.

Interest expense. Interest expense was \$89 in the second quarter of 2021 compared to \$144 in the second quarter of 2020 and \$161 in the six months ended June 30, 2021 compared to \$228 in the six months ended June 30, 2020. The decrease of \$55, or 38%, in the second quarter of 2021 and \$67, or 29%, in the six months ended June 30, 2021, was primarily due to lower debt outstanding in the second quarter of 2021 and in the six months ended June 30, 2021 driven by the early redemption of \$1,000, \$889, and \$151 of the principal amounts of the 6.150% Notes due 2020, 5.400% Notes due 2021 (the "5.400% Notes") and 5.870% Notes due 2022 (the "5.870% Notes"), respectively, in the second quarter of 2020, the early redemption of \$361 of the principal amount of the 5.400% Notes in the first quarter of 2021, and the early redemption of \$476 of the 5.870% Notes in the second quarter of 2021, which was partially offset by the issuance on April 24, 2020 of the 6.875% Notes due 2025 in the aggregate principal amount of \$1,200.

Other expense (income), net. Other expense, net was \$8 in the second quarter of 2021 compared to Other expense, net of \$16 in the second quarter of 2020 and Other expense, net was \$12 in the six months ended June 30, 2021 compared to Other income, net of \$8 in the six months ended June 30, 2020. The decrease of \$8, or 50%, in the second quarter of 2021 was primarily due to a decrease in certain guarantees for Alcoa Corporation of \$9, the impacts of deferred compensation arrangements of \$3, and lower non-service related net periodic benefit cost of \$2, partially offset by foreign currency losses of \$8. The increase of \$20, or 250%, in the six months ended June 30, 2021, was primarily due to foreign currency losses of \$10, the impacts of deferred compensation arrangements of \$9, and lower interest income of \$3, partially offset by lower non-service related net periodic benefit cost of \$5.

Provision for income taxes. The estimated annual effective tax rate, before discrete items, applied to ordinary income was 29.1% in both the second quarter and six months ended June 30, 2021 compared to 36.1% in both the second quarter and six months ended June 30, 2020. The tax rate including discrete items was 32.7% (provision on income) in the second quarter of 2021 compared to 2.3% (benefit on loss) in the second quarter of 2020. A discrete tax charge of \$4 was recorded in the second quarter of 2021 compared to a discrete tax charge of \$10 in the second quarter of 2020. The tax rate including discrete items was 30.9% (provision on income) for the six months ended June 30, 2021 compared to 38.4% (provision on income) for the six months ended June 30, 2020. A discrete tax charge of \$3 was recorded in the six months ended June 30, 2021 compared to a discrete tax charge of \$2 for the six months ended June 30, 2020. See Note H to the Consolidated Financial Statements.

Net Income (Loss) from Continuing Operations. Income from continuing operations was \$74, or \$0.17 per diluted share, in the second quarter of 2021 compared to Loss from continuing operations of \$(84), or \$(0.19) per diluted share, in the second quarter of 2020 and Income from continuing operations was \$154, or \$0.35 per diluted share, in the six months ended June 30, 2021 compared to Income from continuing operations of \$69, or \$0.15 per diluted share, in the six months ended June 30, 2020. The increase of \$158 in the second quarter of 2021 was primarily due to lower Restructuring and other charges, lower COGS, and a reduction in Interest expense, partially offset by a decrease in operating income due to lower sales volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, and an increase in the Provision for income taxes. The increase of \$85 in the six months ended June 30, 2021 was primarily due to lower

Restructuring and other charges, lower COGS, and a reduction in Interest expense, partially offset by a decrease in operating income due to lower sales volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, and an increase in the Provision for income taxes.

Net Income (Loss). As the Arconic Inc. Separation Transaction occurred on April 1, 2020, there was no Income from discontinued operations for the second quarter of 2021 or for the six months ended June 30, 2021. Net income was \$74 for the second quarter of 2021, all of which was composed of \$74 of Income from continuing operations, or \$0.17 per diluted share, and \$154 in the six months ended June 30, 2021, all of which was composed of \$154 of Income from continuing operations, or \$0.35 per diluted share.

Net loss was \$(96) for the second quarter of 2020 composed of \$(84) of Loss from continuing operations and \$(12) from discontinued operations, or \$(0.19) and \$(0.03) per diluted share, respectively. Net income was \$119 for the six months ended June 30, 2020 composed of \$69 of Income from continuing operations and \$50 from discontinued operations, or \$0.15 and \$0.11 per diluted share, respectively.

Segment Information

The Company's operations consist of four worldwide reportable segments: Engine Products, Fastening Systems, Engineered Structures, and Forged Wheels. Segment performance under Howmet's management reporting system is evaluated based on a number of factors; however, the primary measure of performance is Segment operating profit. Howmet's definition of Segment operating profit is Operating income excluding Special items. Special items include Restructuring and other charges. Segment operating profit may not be comparable to similarly titled measures of other companies. Differences between segment totals and consolidated Howmet are in Corporate. (See Note D to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for a description of each segment).

In the second quarter of 2020, the Company realigned its operations consistent with how the Co-Chief Executive Officers assess operating performance and allocating capital in conjunction with the Arconic Inc. Separation Transaction (see Note B to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q). Prior period financial information has been recast to conform to current year presentation.

The Company produces aerospace engine parts and components and aerospace fastening systems for 737 MAX airplanes. In late December 2019, Boeing announced a temporary suspension of production of the 737 MAX airplanes. This decline in production had a negative impact on sales and Segment operating profit in the Engine Products, Fastening Systems and Engineered Structures segments. While regulatory authorities in the United States and certain other jurisdictions lifted grounding orders beginning in late 2020, our sales have remained at lower levels due to the residual impacts of the 737 MAX grounding.

Engine Products

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Third-party sales	\$ 544	\$ 585	\$ 1,078	\$ 1,366
Segment operating profit	100	105	201	270

Third-party sales for the Engine Products segment decreased \$41, or 7%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by higher volumes in the industrial gas turbine market.

Third-party sales for the Engine Products segment decreased \$288, or 21%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, partially offset by higher volumes in the defense aerospace and industrial gas turbine markets.

Segment operating profit for the Engine Products segment decreased \$5, or 5%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by cost reductions, favorable sales volumes in the industrial gas turbine market, and favorable product pricing. The segment added approximately 300 headcount in the quarter in anticipation of revenue increases in the second half of the year.

Segment operating profit for the Engine Products segment decreased \$69, or 26%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven

by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, partially offset by cost reductions, favorable sales volumes in the defense aerospace and industrial gas turbine markets, and favorable product pricing.

For the full year 2021 compared to 2020, demand in the industrial gas turbine market is expected to increase while demand in the commercial aerospace market is expected to be down, driven by the impact of COVID-19 and Boeing 787 production declines. Favorable cost reductions are expected to continue.

Fastening Systems

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Third-party sales	\$ 262	\$ 326	\$ 534	\$ 711
Segment operating profit	50	70	95	166

Third-party sales for the Fastening Systems segment decreased \$64, or 20%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by higher volumes in the commercial transportation and industrial markets.

Third-party sales for the Fastening Systems segment decreased \$177, or 25%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, partially offset by higher volumes in the commercial transportation and industrial markets.

Segment operating profit for the Fastening Systems segment decreased \$20, or 29%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by cost reductions and favorable sales volumes in the commercial transportation and industrial markets.

Segment operating profit for the Fastening Systems segment decreased \$71, or 43%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, partially offset by cost reductions and favorable sales volumes in the commercial transportation and industrial markets.

For the full year 2021 compared to 2020, demand in the commercial transportation and industrial markets is expected to increase while demand in the commercial aerospace market is expected to be down, driven by the impact of COVID-19 and Boeing 787 production declines. Favorable cost reductions are expected to continue.

Engineered Structures

	Second quarter ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Third-party sales	\$ 160	\$ 229	\$ 336	\$ 504
Segment operating profit	11	19	21	47

Third-party sales for the Engineered Structures segment decreased \$69, or 30%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines.

Third-party sales for the Engineered Structures segment decreased \$168, or 33%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines.

Segment operating profit for the Engineered Structures segment decreased \$8, or 42%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19 and Boeing 787 production declines, partially offset by cost reductions.

Segment operating profit for the Engineered Structures segment decreased \$26, or 55%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to lower volumes in the commercial aerospace market driven by the impact of COVID-19, and 737 MAX and Boeing 787 production declines, partially offset by cost reductions.

For the full year 2021 compared to 2020, demand in the commercial aerospace market is expected to be down, driven by the impact of COVID-19 and Boeing 787 production declines. Favorable cost reductions are expected to continue.

Forged Wheels

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Third-party sales	\$ 229	\$ 113	\$ 456	\$ 304
Segment operating profit	61	6	131	56

Third-party sales for the Forged Wheels segment increased \$116, or 103%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to higher volumes in the commercial transportation market.

Third-party sales for the Forged Wheels segment increased \$152, or 50%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to higher volumes in the commercial transportation market.

Segment operating profit for the Forged Wheels segment increased \$55, or 917%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to higher commercial transportation sales volumes and maximizing production in low-cost countries.

Segment operating profit for the Forged Wheels segment increased \$75, or 134%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to higher commercial transportation sales volumes and maximizing production in low-cost countries.

For the full year 2021 compared to 2020, demand in the commercial transportation markets served by Forged Wheels is expected to increase in most regions. Commercial transportation OEMs are expected to increase output as global economies recover from 2020 COVID-19 lows. However, sales in the Forged Wheels segment could be negatively impacted by customer supply chain constraints.

Reconciliation of Income (loss) from continuing operations before income taxes to Total segment operating profit

	Second quarter ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Income (loss) from continuing operations before income taxes	\$ 110	\$ (86)	\$ 223	\$ 112
Interest expense	89	144	161	228
Other expense (income), net	8	16	12	(8)
Consolidated operating income	\$ 207	\$ 74	\$ 396	\$ 332
Unallocated amounts:				
Restructuring and other charges	5	105	14	144
Corporate expense	10	21	38	63
Total segment operating profit	\$ 222	\$ 200	\$ 448	\$ 539

Total segment operating profit is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews the operating results of the segments of the Company excluding Corporate results.

See Restructuring and other charges, Interest expense, and Other expense (income), net discussions above under Results of Operations for reference.

Corporate expense decreased \$11, or 52%, in the second quarter of 2021 compared to the second quarter of 2020, primarily due to costs incurred in 2020 associated with the Arconic Inc. Separation Transaction of \$3, lower costs related to fires at two plants of \$7, and lower costs driven by overhead cost reductions.

Corporate expense decreased \$25, or 40%, in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to costs incurred in 2020 associated with the Arconic Inc. Separation Transaction of \$7, lower costs related to fires at two plants of \$8, impairment costs related to facility closures of \$3 incurred in 2020 that did not recur in 2021, and lower costs driven by overhead cost reductions.

Environmental Matters

See the Environmental Matters section of Note R to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Subsequent Events

See Note [S](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for subsequent events.

Liquidity and Capital Resources

As previously disclosed, during the third quarter of 2020, the Company identified a misclassification in the presentation of changes in accounts payable and capital expenditures in its previously issued Statement of Consolidated Cash Flows for the six months ended June 30, 2020. Although management has determined that such misclassification was not material, the Company revised the accompanying Statement of Consolidated Cash Flows for the six months ended June 30, 2020, resulting in an \$83 increase to previously reported capital expenditures and decrease to cash provided from investing activities with a corresponding reduction (decrease) in accounts payable, trade and increase in cash provided by operations.

The cash flows related to Arconic Corporation have not been segregated and are included in the Statement of Consolidated Cash Flows for all periods prior to the Arconic Inc. Separation Transaction. See Note [A](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for reference.

Operating Activities

Cash provided from operations was \$79 in the six months ended June 30, 2021 compared to cash used for operations of \$177 in the six months ended June 30, 2020. The change of \$256, or 145%, was primarily due to lower operating results of \$191, which were more than offset by lower working capital of \$391, including the impact of employee retention credit receivables, lower pension contributions of \$41, and noncurrent liabilities of \$13. The components of the change in working capital included accounts payable of \$368, inventories of \$155, accrued expenses of \$80, and prepaid expenses and other current assets of \$21, offset by unfavorable changes in receivables of \$161 and taxes, including income taxes of \$72.

As a result of the American Rescue Plan Act of 2021, management expects Howmet's estimated pension contributions and other postretirement benefit payments in 2021 to be approximately \$120.

Financing Activities

Cash used for financing activities was \$1,068 in the six months ended June 30, 2021 compared to \$277 in the six months ended June 30, 2020. The change of \$791, or 286%, was primarily due to debt issued of \$2,400 in the first half of 2020 (of which \$1,200 went with Arconic Corporation in the Arconic Inc. Separation Transaction) and the repurchase of common stock of \$200 in the second quarter of 2021, partially offset by payments on the redemption of long-term debt of \$1,203 (\$838 in the first half of 2021 compared to \$2,041 in the first half of 2020) (See Note [O](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for reference), cash distributed to Arconic Corporation at the Arconic Inc. Separation Transaction of \$500, a reduction in debt issuance costs of \$60, a reduction in premiums paid on the redemption of debt of \$37 and a reduction in dividends paid to common stock shareholders of \$9. On an annual basis, the redemption of the 5.400% Notes and the 5.870% Notes will decrease Interest expense, net by approximately \$47.

On July 19, 2021, the Board of Directors of Howmet declared a dividend of \$0.02 per share on the outstanding common stock of the Company, to be paid on August 25, 2021, to the holders of record of the common stock at the close of business on August 6, 2021.

The Company maintains a Five-Year Revolving Credit Agreement (the "Credit Agreement") with a syndicate of lenders and issuers named therein. On March 29, 2021, the Company entered into another amendment to its Credit Agreement to provide extended relief from its existing financial covenant through December 31, 2022. See Note [Q](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for reference.

The Company may in the future repurchase additional portions of its debt or equity securities from time to time, in either the open market or through privately negotiated transactions, in accordance with applicable SEC and other legal requirements. The timing, prices, and sizes of purchases depend upon prevailing trading prices, general economic and market conditions, and other factors, including applicable securities laws. Such purchases may be completed by means of trading plans established from time to time in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, block trades, private transactions, open market repurchases, tender offers, and/or accelerated share repurchase agreements or other derivative transactions.

The Company's costs of borrowing and ability to access the capital markets are affected not only by market conditions but also by the short and long-term debt ratings assigned to the Company by the major credit rating agencies.

The Company's credit ratings from the three major credit rating agencies are as follows:

	Issuer Rating	Outlook	Date of Last Update
Standard and Poor's Ratings Service (S&P)	BB+	Negative	September 9, 2020
Moody's Investors Service (Moody's)	Ba2	Stable	April 20, 2021
Fitch Investors Service (Fitch)	BBB-	Stable	March 26, 2021

Investing Activities

Cash provided from investing activities was \$94 in the six months ended June 30, 2021 compared to \$44 in the six months ended June 30, 2020. The increase in cash provided from investing activities of \$50, or 114%, was primarily due to proceeds from the sale of assets and businesses of \$106 (\$8 is related to the sale of a small manufacturing plant in France in the second quarter of 2021 and \$114 is related to the sale of a hard extrusions plant in South Korea and an aluminum rolling mill in Brazil in the first quarter of 2020 (both of which related to Arconic Corporation)), substantially offset by a decrease in capital expenditures of \$93 and an increase in cash receipts from sold receivables of \$58 and sale of fixed income securities of \$5.

Recently Adopted and Recently Issued Accounting Guidance

See Note [C](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Forward-Looking Statements

This report contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "guidance," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect Howmet's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, statements, forecasts and outlook relating to the condition of end markets; future financial results, operating performance, or estimated or expected future capital expenditures; future strategic actions; Howmet's strategies, outlook, and business and financial prospects; and any future dividends and repurchases of its debt or equity securities. These statements reflect beliefs and assumptions that are based on Howmet's perception of historical trends, current conditions and expected future developments, as well as other factors Howmet believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict, which could cause actual results to differ materially from those indicated by these statements. Such risks and uncertainties include, but are not limited to: a) uncertainty of the duration, extent and impact of the COVID-19 pandemic on Howmet's business, results of operations, and financial condition; (b) deterioration in global economic and financial market conditions generally, including as a result of pandemic health issues (including COVID-19 and its effects, among other things, on global supply, demand, and distribution disruptions as the COVID-19 pandemic continues and results in an increasingly prolonged period of travel, commercial and/or other similar restrictions and limitations); (c) unfavorable changes in the markets served by Howmet; (d) the impact of potential cyber attacks and information technology or data security breaches; (e) the loss of significant customers or adverse changes in customers' business or financial conditions; (f) manufacturing difficulties or other issues that impact product performance, quality or safety; (g) inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (h) the inability to achieve revenue growth, cash generation, cost savings, restructuring plans, cost reductions, improvement in profitability, or strengthening of competitiveness and operations anticipated or targeted; (i) competition from new product offerings, disruptive technologies or other developments; (j) geopolitical, economic, and regulatory risks relating to Howmet's global operations, including compliance with U.S. and foreign trade and tax laws, sanctions, embargoes and other regulations; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation, which can expose Howmet to substantial costs and liabilities; (l) failure to comply with government contracting regulations; (m) adverse changes in discount rates or investment returns on pension assets; and (n) the other risk factors summarized in Howmet's Form 10-K for the year ended December 31, 2020 and other reports filed with the U.S. Securities and Exchange Commission. Market projections are subject to the risks discussed above and other risks in the market. Howmet disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not material.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

The Company's Co-Chief Executive Officers and Chief Financial Officer have evaluated the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this report, and they have concluded that these controls and procedures are effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the second quarter of 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

See Note [R](#) to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table presents information with respect to the Company's repurchases of its common stock during the quarter ended June 30, 2021:

(in millions except share and per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
April 1 - April 30, 2021	—	—	—	\$277.0
May 1 - May 31, 2021 ⁽²⁾	4,910,988	\$34.02	4,910,988	\$77.0
June 1 - June 30, 2021 ⁽²⁾	967,803	\$34.02	967,803	\$77.0
Total for quarter ended June 30, 2021	5,878,791	\$34.02	5,878,791	

⁽¹⁾ On May 20, 2019, the Company announced that its Board of Directors authorized the repurchase of \$500 million of the Company's outstanding common stock (the "Share Repurchase Program") by means of trading plans established from time to time in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, block trades, private transactions, open market repurchases and/or accelerated share repurchase agreements or other derivative transactions. There was no stated expiration for the Share Repurchase Program under which the Company may repurchase shares from time to time and pursuant to such terms, as and if it deems appropriate. The Share Repurchase Program may be suspended, modified or terminated at any time without prior notice. After giving effect to the share repurchases made through June 30, 2021, approximately \$77 million remains available under the prior authorization by the Board of Directors for the Share Repurchase Program. The amount of share repurchases by the Company may be limited under the terms of the Five-Year Revolving Credit Agreement (See Note [Q](#) to the Consolidated Financial Statements for additional detail).

⁽²⁾ On May 10, 2021, the Company entered into an accelerated share repurchase ("ASR") agreement with Morgan Stanley & Co. LLC to repurchase \$200 million of its common stock. The Company received an initial delivery of 4,910,988 shares in May 2021, and 967,803 additional shares in June 2021. A total of 5,878,791 shares, at an average price of \$34.02 per share, were purchased under the agreement.

Item 6. Exhibits.

10.1	Letter Agreement, by and between Howmet Aerospace Inc. and Lola Lin, dated as of May 5, 2021.
10.2	Restricted Share Unit Award Agreement - Annual Equity Award for Lola Lin, effective July 15, 2021.
10.3	Restricted Share Unit Award Agreement - Sign-On Equity Award for Lola Lin, effective July 15, 2021.
10.4	Form of Confidentiality, Non-Competition, and Non-Solicitation Agreement.
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104.	Cover Page Interactive Data File - the cover page from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline XBRL (included within the Exhibit 101 attachments).

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 thereunto duly authorized.

Howmet Aerospace Inc.

August 4, 2021

/s/ Ken Giacobbe

Date

Ken Giacobbe
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

August 4, 2021

/s/ Barbara L. Shultz

Date

Barbara L. Shultz
Vice President and Controller
(Principal Accounting Officer)



Exhibit 10.1

201 Isabella Street
Pittsburgh, PA 15212

May 5, 2021

Lola Lin
[Address]

Dear Lola,

On behalf of Howmet Aerospace, I am pleased to offer you the position of Executive Vice President, Chief Legal Officer and Corporate Secretary reporting to John Plant, Chairman & Co-CEO and Tolga Oal Co-CEO, based in Pittsburgh, PA. The total compensation package, subject to approval by the Compensation and Benefits Committee of the Board of Directors, includes annual base salary and substantial additional long-term compensation opportunities as summarized below.

Salary:

Your annual base salary will be \$550,000 paid on a monthly basis in accordance with the Company's normal payroll practices, and subject to all applicable taxes and withholdings.

Incentive Compensation:

You will be eligible for target annual Incentive Compensation of 100% of your base salary, or \$550,000 for a full year, if targets are met. Actual payouts could be higher or lower than target depending on individual and business performance.

For the 2021 performance year, your target incentive will be prorated based on your actual base salary paid in 2021.

Sign-On Cash Payments:

You will receive a sign-on cash bonus with a total value of \$200,000 as soon as administratively feasible after your start date, less any applicable tax withholding. Should you voluntarily terminate your employment with the Howmet for any reason in the first 24 months after your start date, you agree to reimburse the company for your sign-on cash payment.

Annual Equity Awards:

Each year you will be eligible for an annual equity award based on the guidelines for executives at your level. Your grant will be subject to the provisions of the Howmet Stock Incentive Plan at the time of grant. The design of the program is reviewed each year and is subject to change.

For 2021, you will receive an equity award of \$1,100,000 granted as 40% time-vested restricted stock units and 60% performance-based restricted stock units with a grant date set as soon as administratively feasible after your start date. The award will vest 3-years from the date used for the Company's 2021 annual equity awards, anticipated to be May 10, 2021, subject to your continued employment through the vesting date. The performance-based restricted stock units will be paid out under the same performance criteria used for the Company's 2021 annual equity awards.

Sign-On Equity Award:

You will receive special one-time sign-on equity award with a grant date value of \$300,000, with a grant date set as soon as administratively feasible after your start date. The award will be granted in the form of time-vested Restricted Stock Units that vest in full on the first anniversary of the grant date, contingent on your continued employment with the company through the vesting dates.

The number of award shares will be based on the closing stock price of the date of grant and will be subject to the provisions of the Howmet Stock Incentive Plan at the time of grant.

Equity Ownership Requirements:

Consistent with Company's efforts to align the interests of its senior leadership with the interests of shareholders, the Company has adopted equity ownership requirements for senior executives. You will be subject to these requirements, currently 3.0 times base salary for executives at your level, during your employment with the Company. Until equity ownership requirements are met, you are required to retain 50% of shares acquired upon vesting of restricted stock units and performance-based restricted stock units or upon exercise of stock options, after deducting those used to pay for applicable taxes and/or the exercise price.

Benefits:

You will be eligible to participate in all Howmet employee benefit plans offered at your location, including health care, life insurance, and disability coverage. Details of these plans will be sent to you separately.

Retirement Savings Plan:

Howmet offers a tax qualified 401(k) savings plan and a non-qualified deferred compensation plan to help you save toward retirement. Details will be sent to you separately and are subject to plan terms and conditions. Current company contributions are:

- 3% of your base salary and incentive compensation, and
- a match of your deferred pre-tax savings dollar-for-dollar up to 6% of your base pay.

Severance:

You will be designated as a Tier II Employee under the Company's Executive Severance Plan and the Company's Change in Control Severance Plan., subject to approval by the Compensation and Benefits Committee. Your participation in such plans is subject to the terms and conditions of such plans as in effect from time to time.

Transfer and Relocation:

Howmet provides a Transfer and Relocation Plan to help facilitate your move to your new location. Should you voluntarily elect to leave Howmet in the first 24 months of employment, you agree to reimburse the company for the cost incurred for the Transfer and Relocation Plan. You will have 12 months from date of hire to take advantage of this benefit. Details of this Plan will be sent to you separately. If you choose not to relocate from your current home location to your new work location, please note that Howmet does not reimburse commuting expenses between these locations.

Vacation:

You will be eligible for 4 weeks of paid vacation per year, in addition to company recognized holidays.

This offer is contingent upon the following conditions:

- Having successfully completed a pre-employment drug screen. You will need to present a photo ID at the time of your screening.

- Providing authorization and release for Howmet to conduct a comprehensive review of your background, the result of which is satisfactory to Howmet. The authorization and release will also be valid for subsequent reports during your period of employment with Howmet.
- Providing us with documentation in the original form establishing both your identity and your employment eligibility in the U.S.
- Signing the attached Confidentiality, Non-Competition, and Non-Solicitation Agreement

We believe that you have the leadership competencies and experience to make a significant contribution to the success of our company. We look forward to your positive contributions to our future. To accept our offer, please sign and date the bottom of this letter and return it to me. If you have any questions, please feel free to call me.

I look forward to hearing from you soon, and I hope to have the opportunity to officially welcome you to Howmet!

Best regards,

/s/ Neil Marchuk

Neil Marchuk
EVP, Human Resources

CC: John Plant, Chairman & Co-CEO

CC: Tolga Oal, Co-CEO

Attachment: Non-Competition Agreement

I, Lola Lin, am pleased to accept your offer of employment dated May 5, 2021 for the position of Executive Vice President, Chief Legal Officer and Corporate Secretary on the terms detailed in the offer letter.

I would like my start date with Howmet to be: 5 weeks from completion of above and will fulfill the foregoing conditions before then.

Accepted by:

Date:

/s/ Lola Lin

5/4/2021

Lola Lin

HOWMET AEROSPACE INC.
2013 HOWMET AEROSPACE STOCK INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT
Grant Date: July 15, 2021

The terms and conditions of this Global Restricted Share Unit Award Agreement, including Appendices A and B attached hereto, (the "Award Agreement") are authorized by the Compensation and Benefits Committee of the Board of Directors. The Restricted Share Unit award is granted to the Participant under the 2013 Howmet Aerospace Stock Incentive Plan, as amended and restated and as may be further amended from time to time (the "Plan"). Terms that are defined in the Plan have the same meanings in the Award Agreement.

NOTE: To avoid cancellation of the Restricted Share Unit award, the Participant must affirmatively accept the Award and the terms of this Award Agreement within 6 months of the grant date, as set forth in paragraph 30 of the Award Agreement.

General Terms and Conditions

1. The Restricted Share Units are subject to the provisions of the Plan and the provisions of the Award Agreement. If the Plan and the Award Agreement are inconsistent, the provisions of the Plan will govern. Interpretations of the Plan and the Award Agreement by the Committee are binding on the Participant and the Company. A Restricted Share Unit is an undertaking by the Company to issue the number of Shares indicated in the Participant's account at Merrill Lynch's OnLine website www.benefits.ml.com, subject to the fulfillment of certain conditions, except to the extent otherwise provided in the Plan or herein. A Participant has no voting rights or rights to receive dividends on Restricted Share Units, but the Board of Directors may authorize that dividend equivalents be accrued and paid on Restricted Share Units upon vesting in accordance with paragraphs 2 and 4 below.

Vesting and Payment

2. This Restricted Share Unit vests on May 10, 2024 and will be paid to the Participant in Shares on the vesting date or within 90 days thereafter.

3. Except as provided in paragraph 4, if a Participant's employment with the Company (including its Subsidiaries) is terminated before the Restricted Share Unit vests, the Award is forfeited and is automatically canceled.

4. The following are exceptions to the vesting rules:

- **Death or Disability:** a Restricted Share Unit held by a Participant, who dies while an Employee or who is permanently and totally disabled while an Employee, is not forfeited but vests and is paid on the original stated vesting date set forth in paragraph 2.

A Participant is deemed to be permanently and totally disabled if the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. A Participant shall not be considered to be permanently and totally disabled unless the Participant furnishes proof of the existence thereof in such form and manner,

and at such times, as the Company may require. In the event of a dispute, the determination whether a Participant is permanently and totally disabled will be made by the Committee or its delegate.

- Change in Control: a Restricted Share Unit vests if a Replacement Award is not provided following certain Change in Control events, as described in the Plan. If the Change in Control qualifies as a “change in control event” within the meaning of Treas. Reg. § 1.409A-3(i)(5), the vested Restricted Share Unit will be paid to the Participant within 30 days following the Change in Control. If the Change in Control does not so qualify, the vested Restricted Share Unit will be paid to the Participant on the original stated vesting date set forth in paragraph 2.
- Termination Following Change in Control: as further described in the Plan, if a Replacement Award is provided following a Change in Control, but within 24 months of such Change in Control the Participant’s employment is terminated without Cause (as defined in the Howmet Aerospace Inc. Change in Control Severance Plan) or by the Participant for Good Reason (as defined in the Howmet Aerospace Inc. Change in Control Severance Plan) the Replacement Award will vest and will be paid to the Participant on the original stated vested date set forth in paragraph 2.
- Retirement: a Restricted Share Unit is not forfeited if it is held by a Participant who retires at least 6 months after the grant date under a Company or Subsidiary plan (or if there is no Company or Subsidiary plan, a government retirement plan) in which the Participant is eligible for an immediate payment of a retirement benefit. In such event, the Restricted Share Unit vests and is paid in accordance with the original vesting schedule of the grant set forth in paragraph 2. Immediate commencement of a deferred vested pension benefit under a Company or Subsidiary retirement plan is not considered a retirement for these purposes.
- Divestiture: if a Restricted Share Unit is held by a Participant who is to be terminated from employment with the Company or a Subsidiary as a result of a divestiture of a business or a portion of a business of the Company and the Participant either becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of the closing, or the Participant is not offered employment with the entity acquiring the business and is terminated by the Company or a Subsidiary within 90 days of the closing of the sale, then, at the discretion of the Chief Executive Officer of the Company, the Restricted Share Unit will not be forfeited and will vest and be paid in accordance with the original vesting schedule set forth in paragraph 2. For purposes of this paragraph, employment by “the entity acquiring the business” includes employment by a subsidiary or affiliate of the entity acquiring the business; and “divestiture of a business” means the sale of assets or stock resulting in the sale of a going concern. “Divestiture of a business” does not include a plant shut down or other termination of a business.

5. A Participant will receive one Share upon the vesting and payment of a Restricted Share Unit.

Taxes

6. All taxes required to be withheld under applicable tax laws in connection with a Restricted Share Unit must be paid by the Participant at the appropriate time under applicable tax laws. The Company may satisfy applicable tax withholding obligations by any of the means set forth in Section 15(l) of the Plan, but will generally withhold from the Shares to be issued upon payment of the Restricted Share Unit that number of Shares with a fair market value on the vesting date equal to the taxes required to be withheld at the minimum required rates or, to the extent permitted under applicable accounting principles, at up to the maximum individual tax rate for the applicable tax jurisdiction, which include, for Participants subject

to taxation in the United States, applicable income taxes, federal and state unemployment compensation taxes and FICA/FUTA taxes. Notwithstanding the foregoing, if the Participant is subject to the short-swing profit rules of Section 16(b) of the Securities Exchange Act of 1934, as amended, the Company will withhold Shares from the Shares to be issued upon payment of the Restricted Share Unit, as described herein, and will not use the other means set forth in the Plan unless approved by the Committee or in the event that withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences. Further, notwithstanding anything herein to the contrary, the Company may cause a portion of the Restricted Share Units to vest prior to the stated vesting date set forth in paragraph 2 in order to satisfy any Tax-Related Items that arise prior to the date of settlement of the Restricted Share Units; provided that to the extent necessary to avoid a prohibited distribution under Section 409A of the Code, the number of Restricted Share Units so accelerated and settled shall be with respect to a number of Shares with a value that does not exceed the liability for such Tax-Related Items.

Beneficiaries

7. If permitted by the Company, Participants will be entitled to designate one or more beneficiaries to receive all Restricted Share Units that have not yet vested at the time of death of the Participant. All beneficiary designations will be on beneficiary designation forms approved for the Plan. Copies of the form are available from the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com

8. Beneficiary designations on an approved form will be effective at the time received by the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com. A Participant may revoke a beneficiary designation at any time by written notice to the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.

9. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.

10. The failure of any Participant to obtain any recommended signature on the form will not prohibit the Company from treating such designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any Restricted Share Unit prior to the death of the Participant who designated such beneficiary.

11. Unless the Participant indicates on the form that a named beneficiary is to receive Restricted Share Units only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled to share equally in the Restricted Share Units upon vesting. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such Restricted Share Units.

12. Should a beneficiary die after the Participant but before the Restricted Share Unit is paid, such beneficiary's rights and interest in the Award will be transferable by the beneficiary's last will and testament or by the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a Restricted Share Unit, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the beneficiary designation form, beneficiaries designated by class (such as "children," "grandchildren," etc.) will be deemed to refer to the members of the class living at the time of the Participant's death, and all members of the class will be deemed to take "per capita."

13. If a Participant does not designate a beneficiary or if the Company does not permit a beneficiary designation, the Restricted Share Units that have not yet vested or been paid at the time of death of the

Participant will be paid to the Participant's legal heirs pursuant to the Participant's last will and testament or by the laws of descent and distribution.

Adjustments

14. In the event of an Equity Restructuring, the Committee will equitably adjust the Restricted Share Unit as it deems appropriate to reflect the Equity Restructuring, which may include (i) adjusting the number and type of securities subject to the Restricted Share Unit; and (ii) adjusting the terms and conditions of the Restricted Share Unit. The adjustments provided under this paragraph 14 will be nondiscretionary and final and binding on all interested parties, including the affected Participant and the Company; provided that the Committee will determine whether an adjustment is equitable.

Repayment/Forfeiture

15. Notwithstanding anything to the contrary herein, pursuant to Section 15(e) of the Plan the Committee has full power and authority, to the extent permitted by governing law, to determine that the Restricted Share Unit will be canceled or suspended at any time prior to a Change in Control: (i) if the Participant, without the consent of the Committee, while employed by the Company or a Subsidiary or after termination of such employment, becomes associated with, employed by, renders services to or owns any interest (other than an interest of up to 5% in a publicly traded company or any other nonsubstantial interest, as determined by the Committee) in any business that is in competition with the Company or any Subsidiary; (ii) in the event of the Participant's willful engagement in conduct which is injurious to the Company or any Subsidiary, monetarily or otherwise; (iii) in the event of an Executive Officer's misconduct described in Section 15(f) of the Plan; or (iv) in order to comply with applicable laws as described in Section 15(h) of the Plan.

Further, as an additional condition of receiving the Restricted Share Unit, the Participant agrees that the Restricted Share Unit and any benefits or proceeds the Participant may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required (i) under the terms of any recoupment or "clawback" policy adopted by the Company to comply with applicable laws or with the Company's Corporate Governance Guidelines or other similar requirements, as such policy may be amended from time to time (and such requirements shall be deemed incorporated into the Award Agreement without the Participant's consent) or (ii) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Further, if the Participant receives any amount in excess of what the Participant should have received under the terms of the Restricted Share Unit for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company.

Miscellaneous Provisions

16. *Stock Exchange Requirements; Applicable Laws.* Notwithstanding anything to the contrary in the Award Agreement, no Shares issuable upon vesting of the Restricted Share Units, and no certificate representing all or any part of such Shares, shall be issued or delivered if, in the opinion of counsel to the Company, such issuance or delivery would cause the Company to be in violation of, or to incur liability under, any local, state, federal or foreign securities or exchange control law, or any rule, regulation or procedure of any U.S. national securities exchange upon which any securities of the Company are listed, or any listing agreement with any such securities exchange, or any other requirement of law or of any local, state, federal or foreign administrative or regulatory body having jurisdiction over the Company or a Subsidiary.
17. *Non-Transferability.* The Restricted Share Units are non-transferable and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.
18. *Shareholder Rights.* No person or entity shall be entitled to vote, receive dividends or be deemed for any purpose the holder of any Shares until the Restricted Share Unit shall have vested and been paid in the form of Shares in accordance with the provisions of the Award Agreement.
19. *Notices.* Any notice required or permitted under the Award Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by confirmed email, telegram, or fax or five days after being deposited in the mail, as certified or registered mail, with postage prepaid, and addressed to the Company at the Company's principal corporate offices or to the Participant at the address maintained for the Participant in the Company's records or, in either case, as subsequently modified by written notice to the other party.
20. *Severability and Judicial Modification.* If any provision of the Award Agreement is held to be invalid or unenforceable under the applicable laws of any country, state, province, territory or other political subdivision or the Company elects not to enforce such restriction, the remaining provisions shall remain in full force and effect and the invalid or unenforceable provision shall be modified only to the extent necessary to render that provision valid and enforceable to the fullest extent permitted by law. If the invalid or unenforceable provision cannot be, or is not, modified, that provision shall be severed from the Award Agreement and all other provisions shall remain valid and enforceable.
21. *Successors.* The Award Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, on the one hand, and the Participant and his or her heirs, beneficiaries, legatees and personal representatives, on the other hand.
22. *Appendices.* Notwithstanding any provisions in the Award Agreement, for Participants residing and/or working outside the United States, the Restricted Share Unit shall be subject to the additional terms and conditions set forth in Appendix A to the Award Agreement and to any special terms and conditions for the Participant's country set forth in Appendix B to the Award Agreement. Moreover, if the Participant relocates outside the United States or relocates between the countries included in Appendix B, the additional terms and conditions set forth in Appendix A and the special terms and conditions for such country set forth in Appendix B will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendices constitute part of the Award Agreement.

23. *Imposition of Other Requirements.* The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Share Unit and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. *Compliance with Code Section 409A.* It is intended that the Restricted Share Right granted pursuant to the Award Agreement be compliant with Section 409A of the Code and the Award Agreement shall be interpreted, construed and operated to reflect this intent. Notwithstanding the foregoing, the Award Agreement and the Plan may be amended at any time, without the consent of any party, to the extent necessary or desirable to satisfy any of the requirements under Section 409A of the Code, but the Company shall not be under any obligation to make any such amendment. Further, the Company and its Subsidiaries do not make any representation to the Participant that the Restricted Share Right granted pursuant to the Award Agreement satisfies the requirements of Section 409A of the Code, and the Company and its Subsidiaries will have no liability or other obligation to indemnify or hold harmless the Participant or any other party for any tax, additional tax, interest or penalties that the Participant or any other party may incur in the event that any provision of the Award Agreement or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

25. *Waiver.* A waiver by the Company of breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by the Participant or any other Participant.

26. *No Advice Regarding Award.* The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees to consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

27. *Governing Law and Venue.* As stated in the Plan, the Restricted Share Unit and the provisions of the Award Agreement and all determinations made and actions taken thereunder, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware, United States of America, without reference to principles of conflict of laws, and construed accordingly. The jurisdiction and venue for any disputes arising under, or any actions brought to enforce (or otherwise relating to), the Restricted Share Unit will be exclusively in the courts in the State of New York, County of New York, including the Federal Courts located therein (should Federal jurisdiction exist).

28. *Electronic Delivery and Acceptance.* The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

29. *Entire Agreement.* The Award Agreement and the Plan embody the entire understanding and agreement of the parties with respect to the subject matter hereof, and no promise, condition, representation or warranty, express or implied, not stated or incorporated by reference herein, shall bind either party hereto.

Acceptance of Award

30. As permitted by Section 15(c) of the Plan, receipt of this Restricted Share Unit award is subject to the Participant's acceptance of the Award and the terms of this Award Agreement and the Plan through Merrill Lynch's OnLine® website www.benefits.ml.com and/or through such other procedures as may be required by the Company (Participant's "Acceptance"). **To avoid forfeiture of the Award, the Participant must provide such Acceptance within 6 months of the grant date of the Award.** The date as of which the Participant's Restricted Share Unit award shall be forfeited, if the Participant has not provided such Acceptance, will generally be set forth in the Participant's account at Merrill Lynch's OnLine® website. If the Participant does not provide Acceptance within this 6 month period, the Award will be cancelled in accordance with any administrative procedures adopted under the Plan.

Performance Feature

31. If the vesting of a Restricted Share Unit is subject to a performance condition, the following additional terms and conditions will apply to that Award:

- The Participant will have the right to receive from 0% to 200% of the number of Shares indicated on the grant date, based on achievement of performance goals established by the Committee for that Award.
- The performance period is three years. Attainment of performance goals for the three-year period will be determined or certified, as applicable, by the Committee on a date as soon as practicable following the end of the performance period (the "Determination Date").
- Notwithstanding paragraph 2 of the Award Agreement, the vesting date of the Award shall be the *later* of the date set forth in paragraph 2 and the Determination Date. To vest in the Award, the Participant must remain employed with the Company or a Subsidiary until such vesting date, except as otherwise set forth in paragraph 4. In any case, except where payment of the Award is made upon a Change in Control within the meaning of Treas. Reg. § 1.409A-3(i)(5), in no event will payment of the Award occur outside of the time period set forth in paragraph 2.
- In the event of termination of the Participant's employment with the Company (including its Subsidiaries) before the vesting of the Restricted Share Unit by reason of death, disability, retirement or divestiture, each as described in paragraph 4, payment of the Restricted Share Unit will be based on the extent to which the performance objectives established by the Committee have been attained following the end of the performance period.
- In the event of a Change in Control, the performance feature of the Award will cease to apply and the Award will be converted into a time-based award in accordance with the formula set forth in Section 12(a)(v) of the Plan. The vesting and payment of such Award will then be governed in accordance with paragraph 4.

**APPENDIX A
TO THE HOWMET AEROSPACE INC.
2013 Howmet Aerospace Stock Incentive Plan
Restricted Share Unit Award Agreement
For Non-U.S. Participants**

This Appendix A contains additional (or, if so indicated, different) terms and conditions that govern the Restricted Share Units if the Participant resides and/or works outside of the United States. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Global Restricted Share Unit Award Agreement (the "Award Agreement").

A. Termination. This provision supplements paragraph 3 of the Award Agreement.

The Company will determine when the Participant is no longer providing services for purposes of the Restricted Share Units (including whether the Participant may still be considered to be providing services while on a leave of absence).

B. Responsibility for Taxes. This provision replaces paragraph 6 of the Award Agreement (except if the Participant is subject to the short-swing profit rules of Section 16(b) of the Securities Exchange Act of 1934, as amended).

The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary that employs the Participant (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of these Restricted Shares Units, including, but not limited to, the grant, vesting or settlement of Restricted Shares Units, the subsequent sale of Shares acquired pursuant to the Restricted Share Unit and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Restricted Share Units or any aspect of the Restricted Share Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. The Participant shall not make any claim against the Company, the Employer or any other Subsidiary, or their respective board, officers or employees related to Tax-Related Items arising from this Award. Furthermore, if the Participant has become subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, (iii) withholding from the proceeds of the sale of Shares acquired pursuant to the Restricted Share Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); (iv) withholding from the Shares subject to Restricted Share Units; and/or (v) any other method of withholding determined by the Company and permitted by applicable law.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates,

including maximum applicable rates, in which case the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent) or, if not refunded, the Participant may seek a refund from the local tax authorities. If the obligation for Tax-Related Items is satisfied by withholding in Shares, the Participant is deemed, for tax purposes, to have been issued the full number of Shares subject to the vested Restricted Shares Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

Finally, the Participant shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

C. Nature of Award. In accepting the Restricted Share Units, the Participant acknowledges, understands and agrees that:

a. the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

b. this Award of Restricted Share Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

c. all decisions with respect to future Restricted Share Units or other Awards, if any, will be at the sole discretion of the Company;

d. this Award of Restricted Share Units and the Participant's participation in the Plan shall not create a right to, or be interpreted as forming or amending an employment or service contract with the Company and shall not interfere with the ability of the Employer to terminate the Participant's employment contract (if any) at any time;

e. the Participant's participation in the Plan is voluntary;

f. this Award of Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

g. this Award of Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

h. the future value of the Shares subject to the Restricted Share Units is unknown, indeterminable and cannot be predicted with certainty;

i. unless otherwise agreed with the Company, Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Subsidiary;

j. no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Award of Restricted Share Units resulting from termination of the Participant's employment and/or service relationship (for any reason whatsoever and regardless of whether later found to be invalid or in

breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

k. unless otherwise provided in the Plan or by the Company in its discretion, this Award of Restricted Share Units and the benefits under the Plan evidenced by this Award Agreement do not create any entitlement to have this Award of Restricted Share Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

l. neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Restricted Share Units or of any amounts due to the Participant pursuant to the Restricted Share Units or the subsequent sale of any Shares acquired under the Plan.

D. Data Privacy. Howmet's Employee Data Protection/Privacy Notice applies to the processing and transfer of the Participant's personal data. The notice may be found here: [Howmet Employee Data Protection/Privacy Notice](#). The Participant can also request a copy of the notice via email at privacy@howmet.com.

E. Retirement. Notwithstanding paragraph 4 of the Award Agreement, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in the Participant's jurisdiction that would likely result in the favorable treatment applicable to the Restricted Share Units pursuant to paragraph 4 being deemed unlawful and/or discriminatory, then the Company will not apply the favorable treatment at the time of the Participant's retirement, and the Restricted Share Units will be treated as set forth in the remaining provisions of paragraph 4 of the Award Agreement.

F. Language. The Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of the Award Agreement. Furthermore, if the Participant has received this Award Agreement, or any other document related to this Award of Restricted Share Units and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

G. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect his or her ability to accept, acquire, sell, or attempt to sell or otherwise dispose of Shares or rights to Shares (e.g., Restricted Share Units), or rights linked to the value of Shares, during such times as he or she is considered to have "inside information" regarding the Company (as defined by applicable laws or regulations in the applicable jurisdictions, including the United States and the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult his or her personal advisor on this matter.

H. Foreign Asset/Account Reporting Requirements, Exchange Controls and Tax Requirements. The Participant acknowledges that his or her country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect his or her ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or

her country. The Participant understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that the Participant should consult his or her personal legal and tax advisors, as applicable, to ensure the Participant's compliance.

**APPENDIX B
TO THE HOWMET AEROSPACE INC.
2013 Howmet Aerospace Stock Incentive Plan
Restricted Share Unit Award Agreement
For Non-U.S. Participants**

Capitalized terms used but not defined in this Appendix B have the meanings set forth in the Plan and the Global Restricted Share Unit Award Agreement (the "Award Agreement").

Terms and Conditions

This Appendix B includes special terms and conditions that govern Restricted Share Units if the Participant resides and/or works in one of the countries listed below.

If the Participant is a citizen or resident of a country other than the country in which the Participant is currently residing and/or working, or if the Participant transfers to another country after the grant of Restricted Share Units or is considered a resident of another country for local law purposes, the Committee shall, in its discretion, determine to what extent the special terms and conditions contained herein shall be applicable to the Participant.

Notifications

This Appendix B also includes information regarding exchange controls, tax and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix B as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the country in which the Participant currently works and/or resides, or if the Participant transfers to another country after the grant of the Restricted Share Unit, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Participant in the same manner.

AUSTRALIA

Terms and Conditions

Australia Offer Document. The grant of Restricted Share Units is intended to comply with the provisions of the Corporations Act, 2001, Australian Securities & Investments Commission ("ASIC") Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the Offer Document to Australian resident employees, which is being provided to the Participant with the Award Agreement.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A\$10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf. If there is no Australian bank involved in the transfer, the Participant will be responsible for filing the report.

Tax Information.

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to conditions in the Act).

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares obtained through the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not meet or exceed €30,000,000 or as of December 31 does not meet or exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given.

When Shares are sold or cash dividends or dividend equivalent payments are received, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Participant's accounts abroad meets or exceeds a certain threshold, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth of the following month.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. If the Participant is a Belgian resident, the Participant is required to report any bank accounts opened and maintained outside of Belgium (e.g., brokerage accounts opened in connection with the Plan) on his or her annual tax return. In a separate report, the Participant is required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under *Kredietcentrales / Centrales des crédits* caption. The Participant should consult with his or her personal tax advisor to determine his or her personal reporting obligations.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Share Units, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the Restricted Share Units, the sale of the Shares acquired under the Plan and the receipt of any dividends.

Acknowledgement of Nature of the Grant. This provision supplements paragraph C "Nature of Award" of Appendix A:

By accepting the Restricted Share Units, the Participant agrees that he or she is making an investment decision, the Shares will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Notifications

Exchange Control Information. If the Participant is a resident of or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of the assets and rights is equal to or greater than US\$100,000. If such amount exceeds US\$100,000,000, the declaration must be submitted quarterly. Assets and rights that must be reported include Shares acquired under the Plan.

Tax on Financial Transactions (IOF). Repatriation of funds (e.g., sale proceeds) into Brazil and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is the Participant's responsibility to comply with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

CANADA

Terms and Conditions

Award Settled Only in Shares. Notwithstanding any discretion in the Plan, the Award of Restricted Share Units shall be settled in Shares only. The Participant is not entitled to receive a cash payment pursuant to the Award.

Termination of Service. The following provision replaces paragraph A "Termination" of Appendix A:

For purposes of the Restricted Share Units, in the event of termination of the Participant's employment relationship (whether or not in breach of local labor laws), except as otherwise expressly set forth in the Award Agreement, the Participant's right to vest in the Restricted Share Unit award under the Plan, if any, will terminate effective as of the earlier of (i) the date upon which the Participant is no longer actively employed or (ii) the date upon which the Participant receives written notice of termination from the Company or the Employer. The Company shall have the exclusive discretion to determine when the Participant is no longer actively employed or when the Participant has received notice of such termination for purposes of the Restricted Share Unit award. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the Restricted Share Unit award under the Plan, if any, will terminate effective as of the last day of the Participant's minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

The Following Provisions Apply for Participants Resident in Quebec:

Consent to Receive Information in English. The Participant acknowledges that it is the express wish of the parties that this Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de Conditions d'attribution, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements paragraph D “Data Privacy” of Appendix A:

The Participant hereby authorizes the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Subsidiary and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Subsidiary to record such information and to keep such information in the Participant’s Employee file.

Notifications

Securities Law Information. The Participant acknowledges that he or she is permitted to sell the Shares acquired under the Plan through the designated broker appointed by the Company, provided the sale of the Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed (*i.e.*, the NYSE).

Foreign Asset/Account Reporting Information. Canadian residents are required to report to the tax authorities certain foreign property (included Restricted Share Units) on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time in the year. The form must be filed by April 30 of the following year. Restricted Share Units must be reported—generally at a nil cost—if the C\$100,000 cost threshold is exceeded because of other foreign property the Participant holds. If Shares are acquired, their cost generally is the adjusted cost base (“ACB”) of the Shares. The ACB would normally equal the fair market value of the Shares at vesting, but if the Participant owns other Shares, this ACB may have to be averaged with the ACB of the other Shares. The Participant should consult with his or her personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

The following terms and conditions will apply to Participants who are subject to exchange control restrictions and regulations in the People’s Republic of China (“the PRC”), including the requirements imposed by the State Administration of Foreign Exchange (“SAFE”), as determined by the Company in its sole discretion:

Award Conditioned on Satisfaction of Regulatory Obligations. Notwithstanding anything to the contrary in the Award Agreement, settlement of the Restricted Share Units is conditioned on the Company’s obtaining a registration of the Plan with SAFE and on the continued effectiveness of such registration (the “SAFE Registration Requirement”). If or to the extent the Company is unable to complete the registration or maintain the registration, no Shares subject to the Restricted Shares Units for which a registration cannot be completed or maintained shall be issued. In this case, the Company retains the discretion to settle any Restricted Share Units for which the vesting conditions, but not the SAFE Registration Requirement, have been met in cash paid through local payroll in an amount equal to the market value of the Shares subject to the Restricted Share Units less any Tax-Related Items.

Shares Must Remain With Company’s Designated Broker. The Participant agrees to hold any Shares received upon settlement of the Restricted Share Units with the Company’s designated broker until the Shares are sold. The limitation shall apply to all Shares issued to the Participant under the Plan, whether or not the Participant remains employed with the Company or its Subsidiaries.

Forced Sale of Shares. The Company has the discretion to arrange for the sale of the Shares issued upon settlement of the Restricted Share Units, either immediately upon settlement or at any time thereafter. In any event, if the Participant's employment is terminated, the Participant will be required to sell all Shares acquired upon settlement of the Restricted Share Units within such time period as required by the Company in accordance with SAFE requirements. Any Shares remaining in the brokerage account at the end of this period shall be sold by the broker (on behalf of the Participant and the Participant hereby authorizes such sale). The Participant agrees to sign any additional agreements, forms and/or consents that reasonably may be requested by the Company (or the Company's designated broker) to effectuate the sale of Shares (including, without limitation, as to the transfer of the sale proceeds and other exchange control matters noted below) and shall otherwise cooperate with the Company with respect to such matters. The Participant acknowledges that neither the Company nor the designated broker is under any obligation to arrange for the sale of Shares at any particular price (it being understood that the sale will occur in the market) and that broker's fees and similar expenses may be incurred in any such sale. In any event, when the Shares are sold, the sale proceeds, less any tax withholding, any broker's fees or commissions, and any similar expenses of the sale will be remitted to the Participant in accordance with applicable exchange control laws and regulations.

Exchange Control RestrictionsThe Participant understands and agrees that the Participant will be required to immediately repatriate to China the proceeds from the sale of any Shares acquired under the Plan and any cash dividends paid on such Shares. The Participant further understands that such repatriation of proceeds may need to be effected through a special bank account established by the Company (or a Subsidiary), and the Participant hereby consents and agrees that any sale proceeds and cash dividends may be transferred to such special account by the Company (or a Subsidiary) on the Participant's behalf prior to being delivered to the Participant and that no interest shall be paid with respect to funds held in such account.

The proceeds may be paid to the Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to the Participant in U.S. dollars, Participant understands that a U.S. dollar bank account in China must be established and maintained so that the proceeds may be deposited into such account. If the proceeds are paid to the Participant in local currency, the Participant acknowledges that the Company (or its Subsidiaries) are under no obligation to secure any particular exchange conversion rate and that the Company (or its Subsidiaries) may face delays in converting the proceeds to local currency due to exchange control restrictions. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the net proceeds are converted into local currency and distributed to the Participant. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Administration. The Company (or its Subsidiaries) shall not be liable for any costs, fees, lost interest or dividends or other losses that the Participant may incur or suffer resulting from the enforcement of the terms of this Appendix or otherwise from the Company's operation and enforcement of the Plan, the Award Agreement, the Award in accordance with any applicable laws, rules, regulations and requirements.

Notifications

Exchange Control Information. Chinese residents may be required to report to SAFE all details of their foreign financial assets and liabilities (including Shares acquired under the Plan), as well as details of any economic transactions conducted with non-Chinese residents.

CZECH REPUBLIC

Notifications

Exchange Control Information. Upon request of the Czech National Bank (the “CNB”), the Participant may be required to report the following to the CNB: foreign direct investments, financial credits from abroad, investment in foreign securities and associated collection of payments (Shares and proceeds from the sale of Shares may be included in this reporting requirement). The Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 200,000,000 or more.

Because exchange control regulations change frequently and without notice, the Participant should consult his or her personal legal advisor prior to the sale of Shares to ensure compliance with current regulations. It is the Participant’s responsibility to comply with Czech exchange control laws, and neither the Company nor any Subsidiary will be liable for any resulting fines or penalties.

FRANCE

Terms and Conditions

Language Consent. By accepting the Restricted Share Units and the Award Agreement, which provides for the terms and conditions of the Restricted Share Units, the Participant confirms having read and understood the documents relating to this Award (the Plan and the Award Agreement, including the Appendices) which were provided to the Participant in English. The Participant accepts the terms of those documents accordingly.

En acceptant l'Attribution d'Actions Attribuées et ce Contrat d'Attribution qui contient les termes et conditions des Actions Attribuées, le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat d'Attribution, ainsi que les Annexes) qui ont été transmis au Participant en langue anglaise. Le Participant accepte ainsi les conditions et termes de ces documents.

Notifications

Tax Information. The Restricted Share Units are not intended to be French tax-qualified awards.

Foreign Asset/Account Reporting Information. French residents are required to report all foreign accounts (whether open, current or closed) to the French tax authorities when filing their annual tax returns. Further, French residents with foreign account balances exceeding prescribed amounts may have additional monthly reporting requirements. The Participant should consult his or her personal advisor to ensure compliance with applicable reporting obligations. Failure to complete this reporting triggers penalties for the resident.

GERMANY

Notifications

Exchange Control Information. If the Participant receives cross-border payments in excess of €12,500 in connection with the sale of securities (including Shares acquired under the Plan) or the receipt of any dividends or dividend equivalent payments, such payment must be reported monthly to the German Federal Bank (*Bundesbank*). The Participant is responsible for the reporting obligation and should file the report electronically by the fifth day of the month following the month in which the

payment is made. A copy of the report ("*Allgemeines Meldeportal Statistik*") can be accessed via Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, the Participant will need to report the acquisition when he or she files a tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000, or (ii) in the unlikely event the Participant holds Shares exceeding 10% of the Company's total common stock.

HONG KONG

Terms and Conditions

Securities Law Information. *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. The Restricted Share Units and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Subsidiary or affiliates. The Award Agreement, including this Appendix B, the Plan and other incidental communication materials (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, and (ii) are intended only for the personal use of each eligible employee of the Employer, the Company or any Subsidiary or affiliate and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Award Agreement, including this Appendix B, the Plan or any other incidental communication materials, he or she should obtain independent professional advice.*

Form of Settlement. Restricted Share Units granted to employees resident in Hong Kong shall be paid in Shares only. In no event shall any of such Restricted Share Units be paid in cash, notwithstanding any discretion contained in the Plan to the contrary.

Settlement of Restricted Share Units and Sale of Shares. This provision supplements paragraph 5 of the Award Agreement.

Shares received under the Plan are accepted as a personal investment. In the event the Participant's Restricted Share Units vest and Shares are issued to the Participant within six months of the grant date, the Participant agrees that he or she will not offer to the public or otherwise dispose of any Shares acquired prior to the six-month anniversary of the grant date.

HUNGARY

There are no country-specific provisions.

INDIA

Notifications

Exchange Control Information. Indian residents are required to repatriate to India all proceeds received from the sale of Shares within 90 days of receipt and any dividends or dividend equivalent payments within 180 days of receipt, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency. The Participant must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company requests proof of repatriation. It is the Participant's responsibility to comply with applicable exchange control laws in India.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares held outside India) in the Participant's annual tax return. The Participant is responsible for complying with this reporting obligation and should confer with his or her personal tax advisor in this regard as significant penalties may apply in the case of non-compliance with foreign asset/account reporting requirements and because such requirements may change.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the Award, the Participant acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, including this Appendix B, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix B.

The Participant further acknowledges that he or she has read and specifically and expressly approves the following paragraphs of the Award Agreement: paragraph 27 ("Governing Law and Venue") of the Award Agreement; paragraph B ("Responsibility for Taxes"), paragraph C ("Nature of Award"), paragraph D ("Data Privacy"), and paragraph F ("Language") of Appendix A to the Award Agreement.

Notifications

Foreign Asset/Account Reporting Information. If the Participant is an Italian resident and, during any fiscal year, holds investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy (or if the Participant is the beneficial owner of such an investment or asset even if the Participant does not directly hold the investment or asset), the Participant is required to report such investments or assets on his or her annual tax return for such fiscal year (on UNICO Form, RW Schedule, or on a special form if the Participant is not required to file a tax return).

JAPAN

Notifications

Foreign Asset/Account Reporting Information. The Participant will be required to report details of any assets held outside of Japan as of December 31 (including any Shares acquired under the Plan) to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Participant and whether the Participant will be required to report details of any outstanding Restricted Share Units, Shares or cash held by the Participant in the report.

KOREA

Notifications

Foreign Asset/Account Reporting Information. If the Participant is a Korean resident, the Participant must declare all of his or her foreign financial accounts (including any brokerage account) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency). The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies.

MEXICO

Terms and Conditions

Policy Statement. The Award of Restricted Share Units is a unilateral and discretionary award and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with offices at 201 Isabella Street, Suite 200, Pittsburgh, Pennsylvania 15212-5872, United States of America, is solely responsible for the administration of the Plan, and participation in the Plan and the Award of the Restricted Share Units does not, in any way, establish an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is one of the following companies: COMERCIALIZADORA ALUMAX EXTRUSIONS MEXICO S.A. DE C.V., Howmet Fastening Systems Mexico II S de RL de CV, Howmet Mexico Casting Center Services S de RL de CV, HOWMET SERVICES DE MEXICO, S. DE R.L. DE C.V. or Howmet Wheel Services Mexico S de RL de CV, a Mexican Subsidiary, nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment. By accepting the Restricted Share Units, the Participant acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Award Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Award Agreement, including the Appendices.

In addition, the Participant expressly approves that: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) neither the Company nor any Subsidiary is responsible for any decrease in the value of the Shares acquired upon vesting of the Restricted Share Units.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grant a full and broad release to the Employer, the Company and its other Subsidiaries with respect to any claim that may arise under the Plan.

Spanish Translation

Declaración de Política.

El Otorgamiento de Unidades de Acciones Restringidas es un otorgamiento unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Plan en cualquier tiempo, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 201 Isabella Street, Suite 200, Pittsburgh, Pennsylvania 15212-5872, United States of America, es únicamente responsable de la administración del Plan, y la participación en el Plan y el Otorgamiento de Unidades de Acciones Restringidas no establecen, de forma alguna, una relación

de trabajo entre el Participante y la Compañía, ya que el Participante está participando en el Plan sobre una base comercial y el único patrón es COMERCIALIZADORA ALUMAX EXTRUSIONS MEXICO S.A. DE C.V., Howmet Fastening Systems Mexico II S de RL de CV, Howmet Mexico Casting Center Services S de RL de CV, HOWMET SERVICES DE MEXICO, S. DE R.L. DE C.V. o Howmet Wheel Services Mexico S de RL de CV, una Afiliada Mexicana, y tampoco establece ningún derecho entre usted y el Patrón.

Reconocimiento del Documento del Plan.

Al aceptar el Otorgamiento de las Unidades de Acciones Restringidas, el Participante reconoce que ha recibido copias del Plan, ha revisado el Plan y los Términos del Otorgamiento en su totalidad y que entiende y acepta completamente todas las disposiciones contenidas en el Plan y en los Términos del Otorgamiento, incluyendo los Apéndices.

Adicionalmente, el Participante aprueba expresamente que (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan se ofrecen por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, cualquier Filial y el Patrón no son responsables por cualquier disminución en el valor de las Acciones adquiridas al momento de tener derecho en relación con las Unidades de Acciones Restringidas.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una reclamación o demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio y total finiquito al Patrón, la Compañía y sus Filiales en relación con cualquier reclamación demanda que pudiera surgir de conformidad con el Plan.

MOROCCO

Terms and Conditions

Settlement. The following provision replaces paragraph 5 of the Award Agreement:

Due to exchange control restrictions in Morocco, the Company will settle the Restricted Share Units by delivering to the Participant, through local payroll, the cash equivalent of Shares upon vesting of the Restricted Share Units. The cash payment will equal the number of vested Restricted Share Units multiplied by the value of one Share on the vesting date, subject to the satisfaction of any applicable withholding obligations for Tax-Related Items. References in this Award Agreement to Shares issuable in connection with the Restricted Share Units will include the issuance of its cash equivalent pursuant to this provision.

NETHERLANDS

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information. The Participant acknowledges that any transfer of funds in excess of PLN 15,000 into or out of Poland must be affected through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions the Participant engages in for a period of five years, as measured from the end of the year in which such transaction occurred.

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, he or she will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on special forms available on the website of the National Bank of Poland. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

SINGAPORE

Terms and Conditions

Sale Restriction. The Participant agrees that any Shares acquired pursuant to the Restricted Share Units will not be offered for sale in Singapore prior to the six-month anniversary of the grant date unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”).

Notifications

Securities Law Information. The grant of Restricted Share Units is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA under which it is exempt from the prospectus and registration requirements and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If the Participant is a director, associate director or shadow director of the Company’s Singapore Subsidiary or affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Subsidiary or affiliate in writing when the Participant receives an interest (e.g., a grant of Restricted Share Units, the acquisition of Shares under the Plan, etc.) in the Company or any Subsidiary or affiliate. In addition, the Participant must notify the Company’s Singapore Subsidiary or affiliate when the Participant sells Shares or shares of the Company or its Subsidiary or affiliate (including when the Participant sells Shares issued upon vesting and settlement of the Restricted Share Units). These notifications must be made within two business days of (i) acquiring or disposing of any interest in the Company or any Subsidiary or affiliate or (ii) any change in a previously-disclosed interest (e.g., upon vesting of the Restricted Share Units or when Shares acquired under the Plan are subsequently sold). In addition, a notification of the Participant’s interests in the Company or any Subsidiary or affiliate must be made within two business days of becoming a director, associate director or shadow director.

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following supplements paragraph B “Responsibility for Taxes” of Appendix A:

By accepting the grant of Restricted Share Units, the Participant agrees that, immediately upon vesting and settlement of the Restricted Share Units, the Participant will notify the Employer of the amount of any gain realized. If the Participant fails to advise the Employer of the gain realized upon vesting and settlement, the Participant may be liable for a fine. The Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Exchange Control Information. Because no transfer of funds from South Africa is required in connection with the Restricted Share Units, no filing or reporting requirements should apply when the Restricted Share Units are granted or when Shares are issued upon vesting and settlement of the Restricted Share Units. However, because the exchange control regulations are subject to change, the Participant should consult the Participant’s personal advisor prior to vesting and settlement of the

Restricted Share Units to ensure compliance with current regulations. The Participant is responsible for ensuring compliance with all exchange control laws in South Africa.

Securities Law Acknowledgement. In compliance with South African Securities Law, the Participant acknowledges that the Participant has been notified that the documents related to the Plan are available for the Participant's review on the Company's public site or intranet site, as applicable.

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provisions supplement paragraph A "Termination" of Appendix A.

By accepting the Restricted Share Units, the Participant consents to participation in the Plan and acknowledges that Participant has received a copy of the Plan acknowledges that the Participant has read and specifically accepts the vesting and termination conditions in the Award Agreement.

The Participant understands and agrees that, as a condition of the grant of the Restricted Share Units, if the Participant's employment terminates, unless otherwise provided in the Award Agreement or by the Company, that the Participant will not be entitled to continue vesting in any RSUs upon cessation of the Participant's employment or service and any unvested Restricted Share Units shall be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Share Units under the Plan to individuals who may be Employees of the Company or a Subsidiary. The decision is limited and entered into based upon the express assumption and condition that any Restricted Share Units will not economically or otherwise bind the Company or any Subsidiary, including the Employer, on an ongoing basis, other than as expressly set forth in the Award Agreement. Consequently, the Participant understands that the Restricted Share Units are granted on the assumption and condition that the Restricted Share Units shall not become part of any employment or service agreement (whether with the Company or any Subsidiary, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the grant of Restricted Share Units, which is gratuitous and discretionary, since the future value of the Restricted Share Units and the underlying Shares is unknown and unpredictable. The Participant also understands that the grant of Restricted Share Units would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the Restricted Share Unit and any right to the underlying Shares shall be null and void.

Notifications

Securities Law Information. A Restricted Share Unit is not considered to be a security under Spanish law. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the Restricted Share Units. No public offering prospectus

has been nor will be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission) (“CNMV”). Neither the Plan nor the Award Agreement constitute a public offering prospectus and they have not been, nor will they be, registered with the CNMV.

Exchange Control Information. To participate in the Plan, the Participant must comply with exchange control regulations in Spain. The acquisition of Shares upon vesting of the Restricted Share Units and subsequent sales of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the “DGCI”). Because the Participant will not purchase or sell the Shares through the use of a Spanish financial institution, the Participant must make the declaration himself or herself by filing a Form D-6 with the DGCI. Generally, the Form D-6 must be filed each January while the Shares are owned. In addition, the sale of Shares must also be declared on Form D-6 filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold, in which case, the filing is due within one month after the sale.

In addition, the Participant may be required to declare electronically to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including any Shares acquired under the Plan) and any transactions with non-Spanish residents (including any payments of Shares made to the Participant by the Company) depending on the value of such accounts and instruments and the amount of the transactions during the relevant year as of December 31 of the relevant year.

Foreign Asset/Account Reporting Information. The Participant is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Shares held in such accounts if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000.

Further, to the extent that the Participant holds Shares and/or has bank accounts outside Spain with a value in excess of €50,000 (for each type of asset) as of December 31, the Participant will be required to report information on such assets on his or her tax return (tax form 720) for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported Shares or accounts increases by more than €20,000 or if the Participant sells or otherwise disposes of any previously-reported Shares or accounts.

SWITZERLAND

Notifications

Securities Law Information. Because the offer of the Restricted Share Units is considered a private offering in Switzerland; it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Restricted Share Units (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its subsidiaries or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following supplements paragraph B “Responsibility for Taxes” of Appendix A:

Without limitation to paragraph B “Responsibility for Taxes” of Appendix A, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty’s Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will have to pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is a Director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934), the Participant may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Participant, as it may be considered a loan. In this case, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and employee National Insurance contributions (“NICs”) may be payable. The Participant agrees to report and pay any income tax due on this additional benefit directly to HMRC under the self-assessment regime and to pay the Employer for the value of the employee NICs due on this additional benefit, which the Company or the Employer may recover from the Participant by any of the means referred to in the Award Agreement, including the Appendices.

HOWMET AEROSPACE INC.
2013 HOWMET AEROSPACE STOCK INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT
Grant Date: July 15, 2021

The terms and conditions of this Global Restricted Share Unit Award Agreement, including Appendices A and B attached hereto, (the "Award Agreement") are authorized by the Compensation and Benefits Committee of the Board of Directors. The Restricted Share Unit award is granted to the Participant under the 2013 Howmet Aerospace Stock Incentive Plan, as amended and restated and as may be further amended from time to time (the "Plan"). Terms that are defined in the Plan have the same meanings in the Award Agreement.

NOTE: To avoid cancellation of the Restricted Share Unit award, the Participant must affirmatively accept the Award and the terms of this Award Agreement within 6 months of the grant date, as set forth in paragraph 30 of the Award Agreement.

General Terms and Conditions

1. The Restricted Share Units are subject to the provisions of the Plan and the provisions of the Award Agreement. If the Plan and the Award Agreement are inconsistent, the provisions of the Plan will govern. Interpretations of the Plan and the Award Agreement by the Committee are binding on the Participant and the Company. A Restricted Share Unit is an undertaking by the Company to issue the number of Shares indicated in the Participant's account at Merrill Lynch's OnLine website www.benefits.ml.com, subject to the fulfillment of certain conditions, except to the extent otherwise provided in the Plan or herein. A Participant has no voting rights or rights to receive dividends on Restricted Share Units, but the Board of Directors may authorize that dividend equivalents be accrued and paid on Restricted Share Units upon vesting in accordance with paragraphs 2 and 4 below.

Vesting and Payment

2. A Restricted Share Unit vests on the first anniversary of the grant date and will be paid to the Participant in Shares on the vesting date or within 90 days thereafter.

3. Except as provided in paragraph 4, if a Participant's employment with the Company (including its Subsidiaries) is terminated before the Restricted Share Unit vests, the Award is forfeited and is automatically canceled.

4. The following are exceptions to the vesting rules:

- **Death or Disability:** a Restricted Share Unit held by a Participant, who dies while an Employee or who is permanently and totally disabled while an Employee, is not forfeited but vests and is paid on the original stated vesting date set forth in paragraph 2.

A Participant is deemed to be permanently and totally disabled if the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. A Participant shall not be considered to be permanently and totally disabled unless the Participant furnishes proof of the existence thereof in such form and manner, and at such times, as the Company may require. In the event of a dispute, the

determination whether a Participant is permanently and totally disabled will be made by the Committee or its delegate.

- Change in Control: a Restricted Share Unit vests if a Replacement Award is not provided following certain Change in Control events, as described in the Plan. If the Change in Control qualifies as a “change in control event” within the meaning of Treas. Reg. § 1.409A-3(i)(5), the vested Restricted Share Unit will be paid to the Participant within 30 days following the Change in Control. If the Change in Control does not so qualify, the vested Restricted Share Unit will be paid to the Participant on the original stated vesting date set forth in paragraph 2.
- Termination Following Change in Control: as further described in the Plan, if a Replacement Award is provided following a Change in Control, but within 24 months of such Change in Control the Participant’s employment is terminated without Cause (as defined in the Howmet Aerospace Inc. Change in Control Severance Plan) or by the Participant for Good Reason (as defined in the Howmet Aerospace Inc. Change in Control Severance Plan) the Replacement Award will vest and will be paid to the Participant on the original stated vested date set forth in paragraph 2.
- Retirement: a Restricted Share Unit is not forfeited if it is held by a Participant who retires at least 6 months after the grant date under a Company or Subsidiary plan (or if there is no Company or Subsidiary plan, a government retirement plan) in which the Participant is eligible for an immediate payment of a retirement benefit. In such event, the Restricted Share Unit vests and is paid in accordance with the original vesting schedule of the grant set forth in paragraph 2. Immediate commencement of a deferred vested pension benefit under a Company or Subsidiary retirement plan is not considered a retirement for these purposes.
- Divestiture: if a Restricted Share Unit is held by a Participant who is to be terminated from employment with the Company or a Subsidiary as a result of a divestiture of a business or a portion of a business of the Company and the Participant either becomes an employee of (or is leased or seconded to) the entity acquiring the business on the date of the closing, or the Participant is not offered employment with the entity acquiring the business and is terminated by the Company or a Subsidiary within 90 days of the closing of the sale, then, at the discretion of the Chief Executive Officer of the Company, the Restricted Share Unit will not be forfeited and will vest and be paid in accordance with the original vesting schedule set forth in paragraph 2. For purposes of this paragraph, employment by “the entity acquiring the business” includes employment by a subsidiary or affiliate of the entity acquiring the business; and “divestiture of a business” means the sale of assets or stock resulting in the sale of a going concern. “Divestiture of a business” does not include a plant shut down or other termination of a business.

5. A Participant will receive one Share upon the vesting and payment of a Restricted Share Unit.

Taxes

6. All taxes required to be withheld under applicable tax laws in connection with a Restricted Share Unit must be paid by the Participant at the appropriate time under applicable tax laws. The Company may satisfy applicable tax withholding obligations by any of the means set forth in Section 15(l) of the Plan, but will generally withhold from the Shares to be issued upon payment of the Restricted Share Unit that number of Shares with a fair market value on the vesting date equal to the taxes required to be withheld at the minimum required rates or, to the extent permitted under applicable accounting principles, at up to the maximum individual tax rate for the applicable tax jurisdiction, which include, for Participants subject to taxation in the United States, applicable income taxes, federal and state unemployment compensation

taxes and FICA/FUTA taxes. Notwithstanding the foregoing, if the Participant is subject to the short-swing profit rules of Section 16(b) of the Securities Exchange Act of 1934, as amended, the Company will withhold Shares from the Shares to be issued upon payment of the Restricted Share Unit, as described herein, and will not use the other means set forth in the Plan unless approved by the Committee or in the event that withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences. Further, notwithstanding anything herein to the contrary, the Company may cause a portion of the Restricted Share Units to vest prior to the stated vesting date set forth in paragraph 2 in order to satisfy any Tax-Related Items that arise prior to the date of settlement of the Restricted Share Units; provided that to the extent necessary to avoid a prohibited distribution under Section 409A of the Code, the number of Restricted Share Units so accelerated and settled shall be with respect to a number of Shares with a value that does not exceed the liability for such Tax-Related Items.

Beneficiaries

7. If permitted by the Company, Participants will be entitled to designate one or more beneficiaries to receive all Restricted Share Units that have not yet vested at the time of death of the Participant. All beneficiary designations will be on beneficiary designation forms approved for the Plan. Copies of the form are available from the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com

8. Beneficiary designations on an approved form will be effective at the time received by the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com. A Participant may revoke a beneficiary designation at any time by written notice to the Communications Center on Merrill Lynch's OnLine® website www.benefits.ml.com or by filing a new designation form. Any designation form previously filed by a Participant will be automatically revoked and superseded by a later-filed form.

9. A Participant will be entitled to designate any number of beneficiaries on the form, and the beneficiaries may be natural or corporate persons.

10. The failure of any Participant to obtain any recommended signature on the form will not prohibit the Company from treating such designation as valid and effective. No beneficiary will acquire any beneficial or other interest in any Restricted Share Unit prior to the death of the Participant who designated such beneficiary.

11. Unless the Participant indicates on the form that a named beneficiary is to receive Restricted Share Units only upon the prior death of another named beneficiary, all beneficiaries designated on the form will be entitled to share equally in the Restricted Share Units upon vesting. Unless otherwise indicated, all such beneficiaries will have an equal, undivided interest in all such Restricted Share Units.

12. Should a beneficiary die after the Participant but before the Restricted Share Unit is paid, such beneficiary's rights and interest in the Award will be transferable by the beneficiary's last will and testament or by the laws of descent and distribution. A named beneficiary who predeceases the Participant will obtain no rights or interest in a Restricted Share Unit, nor will any person claiming on behalf of such individual. Unless otherwise specifically indicated by the Participant on the beneficiary designation form, beneficiaries designated by class (such as "children," "grandchildren," etc.) will be deemed to refer to the members of the class living at the time of the Participant's death, and all members of the class will be deemed to take "per capita."

13. If a Participant does not designate a beneficiary or if the Company does not permit a beneficiary designation, the Restricted Share Units that have not yet vested or been paid at the time of death of the Participant will be paid to the Participant's legal heirs pursuant to the Participant's last will and testament or by the laws of descent and distribution.

Adjustments

14. In the event of an Equity Restructuring, the Committee will equitably adjust the Restricted Share Unit as it deems appropriate to reflect the Equity Restructuring, which may include (i) adjusting the number and type of securities subject to the Restricted Share Unit; and (ii) adjusting the terms and conditions of the Restricted Share Unit. The adjustments provided under this paragraph 14 will be nondiscretionary and final and binding on all interested parties, including the affected Participant and the Company; provided that the Committee will determine whether an adjustment is equitable.

Repayment/Forfeiture

15. Notwithstanding anything to the contrary herein, pursuant to Section 15(e) of the Plan the Committee has full power and authority, to the extent permitted by governing law, to determine that the Restricted Share Unit will be canceled or suspended at any time prior to a Change in Control: (i) if the Participant, without the consent of the Committee, while employed by the Company or a Subsidiary or after termination of such employment, becomes associated with, employed by, renders services to or owns any interest (other than an interest of up to 5% in a publicly traded company or any other nonsubstantial interest, as determined by the Committee) in any business that is in competition with the Company or any Subsidiary; (ii) in the event of the Participant's willful engagement in conduct which is injurious to the Company or any Subsidiary, monetarily or otherwise; (iii) in the event of an Executive Officer's misconduct described in Section 15(f) of the Plan; or (iv) in order to comply with applicable laws as described in Section 15(h) of the Plan.

Further, as an additional condition of receiving the Restricted Share Unit, the Participant agrees that the Restricted Share Unit and any benefits or proceeds the Participant may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required (i) under the terms of any recoupment or "clawback" policy adopted by the Company to comply with applicable laws or with the Company's Corporate Governance Guidelines or other similar requirements, as such policy may be amended from time to time (and such requirements shall be deemed incorporated into the Award Agreement without the Participant's consent) or (ii) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Further, if the Participant receives any amount in excess of what the Participant should have received under the terms of the Restricted Share Unit for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company.

Miscellaneous Provisions

16. *Stock Exchange Requirements; Applicable Laws.* Notwithstanding anything to the contrary in the Award Agreement, no Shares issuable upon vesting of the Restricted Share Units, and no certificate representing all or any part of such Shares, shall be issued or delivered if, in the opinion of counsel to the Company, such issuance or delivery would cause the Company to be in violation of, or to incur liability under, any local, state, federal or foreign securities or exchange control law, or any rule, regulation or procedure of any U.S. national securities exchange upon which any securities of the Company are listed, or any listing agreement with any such securities exchange, or any other requirement of law or of any local, state, federal or foreign administrative or regulatory body having jurisdiction over the Company or a Subsidiary.

17. *Non-Transferability.* The Restricted Share Units are non-transferable and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than

by will or the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

18. *Shareholder Rights.* No person or entity shall be entitled to vote, receive dividends or be deemed for any purpose the holder of any Shares until the Restricted Share Unit shall have vested and been paid in the form of Shares in accordance with the provisions of the Award Agreement.

19. *Notices.* Any notice required or permitted under the Award Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by confirmed email, telegram, or fax or five days after being deposited in the mail, as certified or registered mail, with postage prepaid, and addressed to the Company at the Company's principal corporate offices or to the Participant at the address maintained for the Participant in the Company's records or, in either case, as subsequently modified by written notice to the other party.

20. *Severability and Judicial Modification.* If any provision of the Award Agreement is held to be invalid or unenforceable under the applicable laws of any country, state, province, territory or other political subdivision or the Company elects not to enforce such restriction, the remaining provisions shall remain in full force and effect and the invalid or unenforceable provision shall be modified only to the extent necessary to render that provision valid and enforceable to the fullest extent permitted by law. If the invalid or unenforceable provision cannot be, or is not, modified, that provision shall be severed from the Award Agreement and all other provisions shall remain valid and enforceable.

21. *Successors.* The Award Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, on the one hand, and the Participant and his or her heirs, beneficiaries, legatees and personal representatives, on the other hand.

22. *Appendices.* Notwithstanding any provisions in the Award Agreement, for Participants residing and/or working outside the United States, the Restricted Share Unit shall be subject to the additional terms and conditions set forth in Appendix A to the Award Agreement and to any special terms and conditions for the Participant's country set forth in Appendix B to the Award Agreement. Moreover, if the Participant relocates outside the United States or relocates between the countries included in Appendix B, the additional terms and conditions set forth in Appendix A and the special terms and conditions for such country set forth in Appendix B will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendices constitute part of the Award Agreement.

23. *Imposition of Other Requirements.* The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Share Unit and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. *Compliance with Code Section 409A.* It is intended that the Restricted Share Right granted pursuant to the Award Agreement be compliant with Section 409A of the Code and the Award Agreement shall be interpreted, construed and operated to reflect this intent. Notwithstanding the foregoing, the Award Agreement and the Plan may be amended at any time, without the consent of any party, to the extent necessary or desirable to satisfy any of the requirements under Section 409A of the Code, but the Company shall not be under any obligation to make any such amendment. Further, the Company and its Subsidiaries do not make any representation to the Participant that the Restricted Share Right granted pursuant to the Award Agreement satisfies the requirements of Section 409A of the Code, and the

Company and its Subsidiaries will have no liability or other obligation to indemnify or hold harmless the Participant or any other party for any tax, additional tax, interest or penalties that the Participant or any other party may incur in the event that any provision of the Award Agreement or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

25. *Waiver.* A waiver by the Company of breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by the Participant or any other Participant.

26. *No Advice Regarding Award.* The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees to consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

27. *Governing Law and Venue.* As stated in the Plan, the Restricted Share Unit and the provisions of the Award Agreement and all determinations made and actions taken thereunder, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware, United States of America, without reference to principles of conflict of laws, and construed accordingly. The jurisdiction and venue for any disputes arising under, or any actions brought to enforce (or otherwise relating to), the Restricted Share Unit will be exclusively in the courts in the State of New York, County of New York, including the Federal Courts located therein (should Federal jurisdiction exist).

28. *Electronic Delivery and Acceptance.* The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

29. *Entire Agreement.* The Award Agreement and the Plan embody the entire understanding and agreement of the parties with respect to the subject matter hereof, and no promise, condition, representation or warranty, express or implied, not stated or incorporated by reference herein, shall bind either party hereto.

Acceptance of Award

30. As permitted by Section 15(c) of the Plan, receipt of this Restricted Share Unit award is subject to the Participant's acceptance of the Award and the terms of this Award Agreement and the Plan through Merrill Lynch's OnLine® website www.benefits.ml.com and/or through such other procedures as may be required by the Company (Participant's "Acceptance"). **To avoid forfeiture of the Award, the Participant must provide such Acceptance within 6 months of the grant date of the Award.** The date as of which the Participant's Restricted Share Unit award shall be forfeited, if the Participant has not provided such Acceptance, will generally be set forth in the Participant's account at Merrill Lynch's OnLine® website. If the Participant does not provide Acceptance within this 6 month period, the Award will be cancelled in accordance with any administrative procedures adopted under the Plan.

Performance Feature

31. If the vesting of a Restricted Share Unit is subject to a performance condition, the following additional terms and conditions will apply to that Award:

- The Participant will have the right to receive from 0% to 200% of the number of Shares indicated on the grant date, based on achievement of performance goals established by the Committee for that Award.
- The performance period is three years. Attainment of performance goals for the three-year period will be determined or certified, as applicable, by the Committee on a date as soon as practicable following the end of the performance period (the "Determination Date").
- Notwithstanding paragraph 2 of the Award Agreement, the vesting date of the Award shall be the *later* of the date set forth in paragraph 2 and the Determination Date. To vest in the Award, the Participant must remain employed with the Company or a Subsidiary until such vesting date, except as otherwise set forth in paragraph 4. In any case, except where payment of the Award is made upon a Change in Control within the meaning of Treas. Reg. § 1.409A-3(i)(5), in no event will payment of the Award occur outside of the time period set forth in paragraph 2.
- In the event of termination of the Participant's employment with the Company (including its Subsidiaries) before the vesting of the Restricted Share Unit by reason of death, disability, retirement or divestiture, each as described in paragraph 4, payment of the Restricted Share Unit will be based on the extent to which the performance objectives established by the Committee have been attained following the end of the performance period.
- In the event of a Change in Control, the performance feature of the Award will cease to apply and the Award will be converted into a time-based award in accordance with the formula set forth in Section 12(a)(v) of the Plan. The vesting and payment of such Award will then be governed in accordance with paragraph 4.

APPENDIX A
TO THE HOWMET AEROSPACE INC.
2013 Howmet Aerospace Stock Incentive Plan
Restricted Share Unit Award Agreement
For Non-U.S. Participants

This Appendix A contains additional (or, if so indicated, different) terms and conditions that govern the Restricted Share Units if the Participant resides and/or works outside of the United States. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Global Restricted Share Unit Award Agreement (the "Award Agreement").

A. Termination. This provision supplements paragraph 3 of the Award Agreement.

The Company will determine when the Participant is no longer providing services for purposes of the Restricted Share Units (including whether the Participant may still be considered to be providing services while on a leave of absence).

B. Responsibility for Taxes. This provision replaces paragraph 6 of the Award Agreement (except if the Participant is subject to the short-swing profit rules of Section 16(b) of the Securities Exchange Act of 1934, as amended).

The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary that employs the Participant (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of these Restricted Shares Units, including, but not limited to, the grant, vesting or settlement of Restricted Shares Units, the subsequent sale of Shares acquired pursuant to the Restricted Share Unit and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Restricted Share Units or any aspect of the Restricted Share Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. The Participant shall not make any claim against the Company, the Employer or any other Subsidiary, or their respective board, officers or employees related to Tax-Related Items arising from this Award. Furthermore, if the Participant has become subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, (iii) withholding from the proceeds of the sale of Shares acquired pursuant to the Restricted Share Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); (iv) withholding from the Shares subject to Restricted Share Units; and/or (v) any other method of withholding determined by the Company and permitted by applicable law.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates,

including maximum applicable rates, in which case the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent) or, if not refunded, the Participant may seek a refund from the local tax authorities. If the obligation for Tax-Related Items is satisfied by withholding in Shares, the Participant is deemed, for tax purposes, to have been issued the full number of Shares subject to the vested Restricted Shares Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

Finally, the Participant shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

C. Nature of Award. In accepting the Restricted Share Units, the Participant acknowledges, understands and agrees that:

a. the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

b. this Award of Restricted Share Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

c. all decisions with respect to future Restricted Share Units or other Awards, if any, will be at the sole discretion of the Company;

d. this Award of Restricted Share Units and the Participant's participation in the Plan shall not create a right to, or be interpreted as forming or amending an employment or service contract with the Company and shall not interfere with the ability of the Employer to terminate the Participant's employment contract (if any) at any time;

e. the Participant's participation in the Plan is voluntary;

f. this Award of Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

g. this Award of Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

h. the future value of the Shares subject to the Restricted Share Units is unknown, indeterminable and cannot be predicted with certainty;

i. unless otherwise agreed with the Company, Restricted Share Units and the Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Subsidiary;

j. no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Award of Restricted Share Units resulting from termination of the Participant's employment and/or service relationship (for any reason whatsoever and regardless of whether later found to be invalid or in

breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

k. unless otherwise provided in the Plan or by the Company in its discretion, this Award of Restricted Share Units and the benefits under the Plan evidenced by this Award Agreement do not create any entitlement to have this Award of Restricted Share Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

l. neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Restricted Share Units or of any amounts due to the Participant pursuant to the Restricted Share Units or the subsequent sale of any Shares acquired under the Plan.

D. Data Privacy. Howmet's Employee Data Protection/Privacy Notice applies to the processing and transfer of the Participant's personal data. The notice may be found here: [Howmet Employee Data Protection/Privacy Notice](#). The Participant can also request a copy of the notice via email at privacy@howmet.com.

E. Retirement. Notwithstanding paragraph 4 of the Award Agreement, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in the Participant's jurisdiction that would likely result in the favorable treatment applicable to the Restricted Share Units pursuant to paragraph 4 being deemed unlawful and/or discriminatory, then the Company will not apply the favorable treatment at the time of the Participant's retirement, and the Restricted Share Units will be treated as set forth in the remaining provisions of paragraph 4 of the Award Agreement.

F. Language. The Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of the Award Agreement. Furthermore, if the Participant has received this Award Agreement, or any other document related to this Award of Restricted Share Units and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

G. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect his or her ability to accept, acquire, sell, or attempt to sell or otherwise dispose of Shares or rights to Shares (e.g., Restricted Share Units), or rights linked to the value of Shares, during such times as he or she is considered to have "inside information" regarding the Company (as defined by applicable laws or regulations in the applicable jurisdictions, including the United States and the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant may be prohibited from (i) disclosing the inside information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult his or her personal advisor on this matter.

H. Foreign Asset/Account Reporting Requirements, Exchange Controls and Tax Requirements. The Participant acknowledges that his or her country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect his or her ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or

her country. The Participant understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that the Participant should consult his or her personal legal and tax advisors, as applicable, to ensure the Participant's compliance.

**APPENDIX B
TO THE HOWMET AEROSPACE INC.
2013 Howmet Aerospace Stock Incentive Plan
Restricted Share Unit Award Agreement
For Non-U.S. Participants**

Capitalized terms used but not defined in this Appendix B have the meanings set forth in the Plan and the Global Restricted Share Unit Award Agreement (the "Award Agreement").

Terms and Conditions

This Appendix B includes special terms and conditions that govern Restricted Share Units if the Participant resides and/or works in one of the countries listed below.

If the Participant is a citizen or resident of a country other than the country in which the Participant is currently residing and/or working, or if the Participant transfers to another country after the grant of Restricted Share Units or is considered a resident of another country for local law purposes, the Committee shall, in its discretion, determine to what extent the special terms and conditions contained herein shall be applicable to the Participant.

Notifications

This Appendix B also includes information regarding exchange controls, tax and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix B as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the country in which the Participant currently works and/or resides, or if the Participant transfers to another country after the grant of the Restricted Share Unit, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Participant in the same manner.

AUSTRALIA

Terms and Conditions

Australia Offer Document. The grant of Restricted Share Units is intended to comply with the provisions of the Corporations Act, 2001, Australian Securities & Investments Commission ("ASIC") Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the Offer Document to Australian resident employees, which is being provided to the Participant with the Award Agreement.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A\$10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf. If there is no Australian bank involved in the transfer, the Participant will be responsible for filing the report.

Tax Information.

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to conditions in the Act).

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares obtained through the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not meet or exceed €30,000,000 or as of December 31 does not meet or exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given.

When Shares are sold or cash dividends or dividend equivalent payments are received, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Participant's accounts abroad meets or exceeds a certain threshold, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth of the following month.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. If the Participant is a Belgian resident, the Participant is required to report any bank accounts opened and maintained outside of Belgium (e.g., brokerage accounts opened in connection with the Plan) on his or her annual tax return. In a separate report, the Participant is required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under *Kredietcentrales / Centrales des crédits* caption. The Participant should consult with his or her personal tax advisor to determine his or her personal reporting obligations.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Share Units, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the Restricted Share Units, the sale of the Shares acquired under the Plan and the receipt of any dividends.

Acknowledgement of Nature of the Grant. This provision supplements paragraph C "Nature of Award" of Appendix A:

By accepting the Restricted Share Units, the Participant agrees that he or she is making an investment decision, the Shares will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Notifications

Exchange Control Information. If the Participant is a resident of or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of the assets and rights is equal to or greater than US\$100,000. If such amount exceeds US\$100,000,000, the declaration must be submitted quarterly. Assets and rights that must be reported include Shares acquired under the Plan.

Tax on Financial Transactions (IOF). Repatriation of funds (e.g., sale proceeds) into Brazil and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is the Participant's responsibility to comply with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

CANADA

Terms and Conditions

Award Settled Only in Shares. Notwithstanding any discretion in the Plan, the Award of Restricted Share Units shall be settled in Shares only. The Participant is not entitled to receive a cash payment pursuant to the Award.

Termination of Service. The following provision replaces paragraph A "Termination" of Appendix A:

For purposes of the Restricted Share Units, in the event of termination of the Participant's employment relationship (whether or not in breach of local labor laws), except as otherwise expressly set forth in the Award Agreement, the Participant's right to vest in the Restricted Share Unit award under the Plan, if any, will terminate effective as of the earlier of (i) the date upon which the Participant is no longer actively employed or (ii) the date upon which the Participant receives written notice of termination from the Company or the Employer. The Company shall have the exclusive discretion to determine when the Participant is no longer actively employed or when the Participant has received notice of such termination for purposes of the Restricted Share Unit award. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the Restricted Share Unit award under the Plan, if any, will terminate effective as of the last day of the Participant's minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

The Following Provisions Apply for Participants Resident in Quebec:

Consent to Receive Information in English. The Participant acknowledges that it is the express wish of the parties that this Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de Conditions d'attribution, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Authorization to Release and Transfer Necessary Personal Information. The following provision supplements paragraph D “Data Privacy” of Appendix A:

The Participant hereby authorizes the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Subsidiary and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Subsidiary to record such information and to keep such information in the Participant’s Employee file.

Notifications

Securities Law Information. The Participant acknowledges that he or she is permitted to sell the Shares acquired under the Plan through the designated broker appointed by the Company, provided the sale of the Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed (*i.e.*, the NYSE).

Foreign Asset/Account Reporting Information. Canadian residents are required to report to the tax authorities certain foreign property (included Restricted Share Units) on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time in the year. The form must be filed by April 30 of the following year. Restricted Share Units must be reported—generally at a nil cost—if the C\$100,000 cost threshold is exceeded because of other foreign property the Participant holds. If Shares are acquired, their cost generally is the adjusted cost base (“ACB”) of the Shares. The ACB would normally equal the fair market value of the Shares at vesting, but if the Participant owns other Shares, this ACB may have to be averaged with the ACB of the other Shares. The Participant should consult with his or her personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

The following terms and conditions will apply to Participants who are subject to exchange control restrictions and regulations in the People’s Republic of China (“the PRC”), including the requirements imposed by the State Administration of Foreign Exchange (“SAFE”), as determined by the Company in its sole discretion:

Award Conditioned on Satisfaction of Regulatory Obligations. Notwithstanding anything to the contrary in the Award Agreement, settlement of the Restricted Share Units is conditioned on the Company’s obtaining a registration of the Plan with SAFE and on the continued effectiveness of such registration (the “SAFE Registration Requirement”). If or to the extent the Company is unable to complete the registration or maintain the registration, no Shares subject to the Restricted Shares Units for which a registration cannot be completed or maintained shall be issued. In this case, the Company retains the discretion to settle any Restricted Share Units for which the vesting conditions, but not the SAFE Registration Requirement, have been met in cash paid through local payroll in an amount equal to the market value of the Shares subject to the Restricted Share Units less any Tax-Related Items.

Shares Must Remain With Company’s Designated Broker. The Participant agrees to hold any Shares received upon settlement of the Restricted Share Units with the Company’s designated broker until the Shares are sold. The limitation shall apply to all Shares issued to the Participant under the Plan, whether or not the Participant remains employed with the Company or its Subsidiaries.

Forced Sale of Shares. The Company has the discretion to arrange for the sale of the Shares issued upon settlement of the Restricted Share Units, either immediately upon settlement or at any time thereafter. In any event, if the Participant's employment is terminated, the Participant will be required to sell all Shares acquired upon settlement of the Restricted Share Units within such time period as required by the Company in accordance with SAFE requirements. Any Shares remaining in the brokerage account at the end of this period shall be sold by the broker (on behalf of the Participant and the Participant hereby authorizes such sale). The Participant agrees to sign any additional agreements, forms and/or consents that reasonably may be requested by the Company (or the Company's designated broker) to effectuate the sale of Shares (including, without limitation, as to the transfer of the sale proceeds and other exchange control matters noted below) and shall otherwise cooperate with the Company with respect to such matters. The Participant acknowledges that neither the Company nor the designated broker is under any obligation to arrange for the sale of Shares at any particular price (it being understood that the sale will occur in the market) and that broker's fees and similar expenses may be incurred in any such sale. In any event, when the Shares are sold, the sale proceeds, less any tax withholding, any broker's fees or commissions, and any similar expenses of the sale will be remitted to the Participant in accordance with applicable exchange control laws and regulations.

Exchange Control RestrictionsThe Participant understands and agrees that the Participant will be required to immediately repatriate to China the proceeds from the sale of any Shares acquired under the Plan and any cash dividends paid on such Shares. The Participant further understands that such repatriation of proceeds may need to be effected through a special bank account established by the Company (or a Subsidiary), and the Participant hereby consents and agrees that any sale proceeds and cash dividends may be transferred to such special account by the Company (or a Subsidiary) on the Participant's behalf prior to being delivered to the Participant and that no interest shall be paid with respect to funds held in such account.

The proceeds may be paid to the Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to the Participant in U.S. dollars, Participant understands that a U.S. dollar bank account in China must be established and maintained so that the proceeds may be deposited into such account. If the proceeds are paid to the Participant in local currency, the Participant acknowledges that the Company (or its Subsidiaries) are under no obligation to secure any particular exchange conversion rate and that the Company (or its Subsidiaries) may face delays in converting the proceeds to local currency due to exchange control restrictions. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the net proceeds are converted into local currency and distributed to the ParticipantThe Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Administration. The Company (or its Subsidiaries) shall not be liable for any costs, fees, lost interest or dividends or other losses that the Participant may incur or suffer resulting from the enforcement of the terms of this Appendix or otherwise from the Company's operation and enforcement of the Plan, the Award Agreement, the Award in accordance with any applicable laws, rules, regulations and requirements.

Notifications

Exchange Control Information. Chinese residents may be required to report to SAFE all details of their foreign financial assets and liabilities (including Shares acquired under the Plan), as well as details of any economic transactions conducted with non-Chinese residents.

CZECH REPUBLIC

Notifications

Exchange Control Information. Upon request of the Czech National Bank (the “CNB”), the Participant may be required to report the following to the CNB: foreign direct investments, financial credits from abroad, investment in foreign securities and associated collection of payments (Shares and proceeds from the sale of Shares may be included in this reporting requirement). The Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 200,000,000 or more.

Because exchange control regulations change frequently and without notice, the Participant should consult his or her personal legal advisor prior to the sale of Shares to ensure compliance with current regulations. It is the Participant’s responsibility to comply with Czech exchange control laws, and neither the Company nor any Subsidiary will be liable for any resulting fines or penalties.

FRANCE

Terms and Conditions

Language Consent. By accepting the Restricted Share Units and the Award Agreement, which provides for the terms and conditions of the Restricted Share Units, the Participant confirms having read and understood the documents relating to this Award (the Plan and the Award Agreement, including the Appendices) which were provided to the Participant in English. The Participant accepts the terms of those documents accordingly.

En acceptant l'Attribution d'Actions Attribuées et ce Contrat d'Attribution qui contient les termes et conditions des Actions Attribuées, le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat d'Attribution, ainsi que les Annexes) qui ont été transmis au Participant en langue anglaise. Le Participant accepte ainsi les conditions et termes de ces documents.

Notifications

Tax Information. The Restricted Share Units are not intended to be French tax-qualified awards.

Foreign Asset/Account Reporting Information. French residents are required to report all foreign accounts (whether open, current or closed) to the French tax authorities when filing their annual tax returns. Further, French residents with foreign account balances exceeding prescribed amounts may have additional monthly reporting requirements. The Participant should consult his or her personal advisor to ensure compliance with applicable reporting obligations. Failure to complete this reporting triggers penalties for the resident.

GERMANY

Notifications

Exchange Control Information. If the Participant receives cross-border payments in excess of €12,500 in connection with the sale of securities (including Shares acquired under the Plan) or the receipt of any dividends or dividend equivalent payments, such payment must be reported monthly to the German Federal Bank (*Bundesbank*). The Participant is responsible for the reporting obligation and should file the report electronically by the fifth day of the month following the month in which the

payment is made. A copy of the report ("*Allgemeines Meldeportal Statistik*") can be accessed via Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, the Participant will need to report the acquisition when he or she files a tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000, or (ii) in the unlikely event the Participant holds Shares exceeding 10% of the Company's total common stock.

HONG KONG

Terms and Conditions

Securities Law Information. *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. The Restricted Share Units and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Subsidiary or affiliates. The Award Agreement, including this Appendix B, the Plan and other incidental communication materials (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, and (ii) are intended only for the personal use of each eligible employee of the Employer, the Company or any Subsidiary or affiliate and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Award Agreement, including this Appendix B, the Plan or any other incidental communication materials, he or she should obtain independent professional advice.*

Form of Settlement. Restricted Share Units granted to employees resident in Hong Kong shall be paid in Shares only. In no event shall any of such Restricted Share Units be paid in cash, notwithstanding any discretion contained in the Plan to the contrary.

Settlement of Restricted Share Units and Sale of Shares. This provision supplements paragraph 5 of the Award Agreement.

Shares received under the Plan are accepted as a personal investment. In the event the Participant's Restricted Share Units vest and Shares are issued to the Participant within six months of the grant date, the Participant agrees that he or she will not offer to the public or otherwise dispose of any Shares acquired prior to the six-month anniversary of the grant date.

HUNGARY

There are no country-specific provisions.

INDIA

Notifications

Exchange Control Information. Indian residents are required to repatriate to India all proceeds received from the sale of Shares within 90 days of receipt and any dividends or dividend equivalent payments within 180 days of receipt, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency. The Participant must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company requests proof of repatriation. It is the Participant's responsibility to comply with applicable exchange control laws in India.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares held outside India) in the Participant's annual tax return. The Participant is responsible for complying with this reporting obligation and should confer with his or her personal tax advisor in this regard as significant penalties may apply in the case of non-compliance with foreign asset/account reporting requirements and because such requirements may change.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the Award, the Participant acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, including this Appendix B, in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement, including this Appendix B.

The Participant further acknowledges that he or she has read and specifically and expressly approves the following paragraphs of the Award Agreement: paragraph 27 ("Governing Law and Venue") of the Award Agreement; paragraph B ("Responsibility for Taxes"), paragraph C ("Nature of Award"), paragraph D ("Data Privacy"), and paragraph F ("Language") of Appendix A to the Award Agreement.

Notifications

Foreign Asset/Account Reporting Information. If the Participant is an Italian resident and, during any fiscal year, holds investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy (or if the Participant is the beneficial owner of such an investment or asset even if the Participant does not directly hold the investment or asset), the Participant is required to report such investments or assets on his or her annual tax return for such fiscal year (on UNICO Form, RW Schedule, or on a special form if the Participant is not required to file a tax return).

JAPAN

Notifications

Foreign Asset/Account Reporting Information. The Participant will be required to report details of any assets held outside of Japan as of December 31 (including any Shares acquired under the Plan) to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Participant and whether the Participant will be required to report details of any outstanding Restricted Share Units, Shares or cash held by the Participant in the report.

KOREA

Notifications

Foreign Asset/Account Reporting Information. If the Participant is a Korean resident, the Participant must declare all of his or her foreign financial accounts (including any brokerage account) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency). The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies.

MEXICO

Terms and Conditions

Policy Statement. The Award of Restricted Share Units is a unilateral and discretionary award and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with offices at 201 Isabella Street, Suite 200, Pittsburgh, Pennsylvania 15212-5872, United States of America, is solely responsible for the administration of the Plan, and participation in the Plan and the Award of the Restricted Share Units does not, in any way, establish an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is one of the following companies: COMERCIALIZADORA ALUMAX EXTRUSIONS MEXICO S.A. DE C.V., Howmet Fastening Systems Mexico II S de RL de CV, Howmet Mexico Casting Center Services S de RL de CV, HOWMET SERVICES DE MEXICO, S. DE R.L. DE C.V. or Howmet Wheel Services Mexico S de RL de CV, a Mexican Subsidiary, nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment. By accepting the Restricted Share Units, the Participant acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Award Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Award Agreement, including the Appendices.

In addition, the Participant expressly approves that: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) neither the Company nor any Subsidiary is responsible for any decrease in the value of the Shares acquired upon vesting of the Restricted Share Units.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grant a full and broad release to the Employer, the Company and its other Subsidiaries with respect to any claim that may arise under the Plan.

Spanish Translation

Declaración de Política.

El Otorgamiento de Unidades de Acciones Restringidas es un otorgamiento unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Plan en cualquier tiempo, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 201 Isabella Street, Suite 200, Pittsburgh, Pennsylvania 15212-5872, United States of America, es únicamente responsable de la administración del Plan, y la participación en el Plan y el Otorgamiento de Unidades de Acciones Restringidas no establecen, de forma alguna, una relación

de trabajo entre el Participante y la Compañía, ya que el Participante está participando en el Plan sobre una base comercial y el único patrón es COMERCIALIZADORA ALUMAX EXTRUSIONS MEXICO S.A. DE C.V., Howmet Fastening Systems Mexico II S de RL de CV, Howmet Mexico Casting Center Services S de RL de CV, HOWMET SERVICES DE MEXICO, S. DE R.L. DE C.V. o Howmet Wheel Services Mexico S de RL de CV, una Afiliada Mexicana, y tampoco establece ningún derecho entre usted y el Patrón.

Reconocimiento del Documento del Plan.

Al aceptar el Otorgamiento de las Unidades de Acciones Restringidas, el Participante reconoce que ha recibido copias del Plan, ha revisado el Plan y los Términos del Otorgamiento en su totalidad y que entiende y acepta completamente todas las disposiciones contenidas en el Plan y en los Términos del Otorgamiento, incluyendo los Apéndices.

Adicionalmente, el Participante aprueba expresamente que (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan se ofrecen por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, cualquier Filial y el Patrón no son responsables por cualquier disminución en el valor de las Acciones adquiridas al momento de tener derecho en relación con las Unidades de Acciones Restringidas.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una reclamación o demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio y total finiquito al Patrón, la Compañía y sus Filiales en relación con cualquier reclamación demanda que pudiera surgir de conformidad con el Plan.

MOROCCO

Terms and Conditions

Settlement. The following provision replaces paragraph 5 of the Award Agreement:

Due to exchange control restrictions in Morocco, the Company will settle the Restricted Share Units by delivering to the Participant, through local payroll, the cash equivalent of Shares upon vesting of the Restricted Share Units. The cash payment will equal the number of vested Restricted Share Units multiplied by the value of one Share on the vesting date, subject to the satisfaction of any applicable withholding obligations for Tax-Related Items. References in this Award Agreement to Shares issuable in connection with the Restricted Share Units will include the issuance of its cash equivalent pursuant to this provision.

NETHERLANDS

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information. The Participant acknowledges that any transfer of funds in excess of PLN 15,000 into or out of Poland must be affected through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions the Participant engages in for a period of five years, as measured from the end of the year in which such transaction occurred.

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, he or she will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on special forms available on the website of the National Bank of Poland. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

SINGAPORE

Terms and Conditions

Sale Restriction. The Participant agrees that any Shares acquired pursuant to the Restricted Share Units will not be offered for sale in Singapore prior to the six-month anniversary of the grant date unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”).

Notifications

Securities Law Information. The grant of Restricted Share Units is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA under which it is exempt from the prospectus and registration requirements and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If the Participant is a director, associate director or shadow director of the Company’s Singapore Subsidiary or affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Subsidiary or affiliate in writing when the Participant receives an interest (e.g., a grant of Restricted Share Units, the acquisition of Shares under the Plan, etc.) in the Company or any Subsidiary or affiliate. In addition, the Participant must notify the Company’s Singapore Subsidiary or affiliate when the Participant sells Shares or shares of the Company or its Subsidiary or affiliate (including when the Participant sells Shares issued upon vesting and settlement of the Restricted Share Units). These notifications must be made within two business days of (i) acquiring or disposing of any interest in the Company or any Subsidiary or affiliate or (ii) any change in a previously-disclosed interest (e.g., upon vesting of the Restricted Share Units or when Shares acquired under the Plan are subsequently sold). In addition, a notification of the Participant’s interests in the Company or any Subsidiary or affiliate must be made within two business days of becoming a director, associate director or shadow director.

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following supplements paragraph B “Responsibility for Taxes” of Appendix A:

By accepting the grant of Restricted Share Units, the Participant agrees that, immediately upon vesting and settlement of the Restricted Share Units, the Participant will notify the Employer of the amount of any gain realized. If the Participant fails to advise the Employer of the gain realized upon vesting and settlement, the Participant may be liable for a fine. The Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Exchange Control Information. Because no transfer of funds from South Africa is required in connection with the Restricted Share Units, no filing or reporting requirements should apply when the Restricted Share Units are granted or when Shares are issued upon vesting and settlement of the Restricted Share Units. However, because the exchange control regulations are subject to change, the Participant should consult the Participant’s personal advisor prior to vesting and settlement of the

Restricted Share Units to ensure compliance with current regulations. The Participant is responsible for ensuring compliance with all exchange control laws in South Africa.

Securities Law Acknowledgement. In compliance with South African Securities Law, the Participant acknowledges that the Participant has been notified that the documents related to the Plan are available for the Participant's review on the Company's public site or intranet site, as applicable.

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provisions supplement paragraph A "Termination" of Appendix A.

By accepting the Restricted Share Units, the Participant consents to participation in the Plan and acknowledges that Participant has received a copy of the Plan acknowledges that the Participant has read and specifically accepts the vesting and termination conditions in the Award Agreement.

The Participant understands and agrees that, as a condition of the grant of the Restricted Share Units, if the Participant's employment terminates, unless otherwise provided in the Award Agreement or by the Company, that the Participant will not be entitled to continue vesting in any RSUs upon cessation of the Participant's employment or service and any unvested Restricted Share Units shall be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Share Units under the Plan to individuals who may be Employees of the Company or a Subsidiary. The decision is limited and entered into based upon the express assumption and condition that any Restricted Share Units will not economically or otherwise bind the Company or any Subsidiary, including the Employer, on an ongoing basis, other than as expressly set forth in the Award Agreement. Consequently, the Participant understands that the Restricted Share Units are granted on the assumption and condition that the Restricted Share Units shall not become part of any employment or service agreement (whether with the Company or any Subsidiary, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the grant of Restricted Share Units, which is gratuitous and discretionary, since the future value of the Restricted Share Units and the underlying Shares is unknown and unpredictable. The Participant also understands that the grant of Restricted Share Units would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the Restricted Share Unit and any right to the underlying Shares shall be null and void.

Notifications

Securities Law Information. A Restricted Share Unit is not considered to be a security under Spanish law. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the Restricted Share Units. No public offering prospectus

has been nor will be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission) (“CNMV”). Neither the Plan nor the Award Agreement constitute a public offering prospectus and they have not been, nor will they be, registered with the CNMV.

Exchange Control Information. To participate in the Plan, the Participant must comply with exchange control regulations in Spain. The acquisition of Shares upon vesting of the Restricted Share Units and subsequent sales of Shares must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the “DGCI”). Because the Participant will not purchase or sell the Shares through the use of a Spanish financial institution, the Participant must make the declaration himself or herself by filing a Form D-6 with the DGCI. Generally, the Form D-6 must be filed each January while the Shares are owned. In addition, the sale of Shares must also be declared on Form D-6 filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold, in which case, the filing is due within one month after the sale.

In addition, the Participant may be required to declare electronically to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including any Shares acquired under the Plan) and any transactions with non-Spanish residents (including any payments of Shares made to the Participant by the Company) depending on the value of such accounts and instruments and the amount of the transactions during the relevant year as of December 31 of the relevant year.

Foreign Asset/Account Reporting Information. The Participant is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Shares held in such accounts if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000.

Further, to the extent that the Participant holds Shares and/or has bank accounts outside Spain with a value in excess of €50,000 (for each type of asset) as of December 31, the Participant will be required to report information on such assets on his or her tax return (tax form 720) for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported Shares or accounts increases by more than €20,000 or if the Participant sells or otherwise disposes of any previously-reported Shares or accounts.

SWITZERLAND

Notifications

Securities Law Information. Because the offer of the Restricted Share Units is considered a private offering in Switzerland; it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Restricted Share Units (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its subsidiaries or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following supplements paragraph B “Responsibility for Taxes” of Appendix A:

Without limitation to paragraph B “Responsibility for Taxes” of Appendix A, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty’s Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will have to pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is a Director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934), the Participant may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Participant, as it may be considered a loan. In this case, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and employee National Insurance contributions (“NICs”) may be payable. The Participant agrees to report and pay any income tax due on this additional benefit directly to HMRC under the self-assessment regime and to pay the Employer for the value of the employee NICs due on this additional benefit, which the Company or the Employer may recover from the Participant by any of the means referred to in the Award Agreement, including the Appendices.

Confidentiality, Non-Competition, and Non-Solicitation Agreement

As an employee of Howmet Aerospace Inc. ("Howmet") or one of its subsidiaries (Howmet collectively with its subsidiaries, the "Company"), you will have access to or may develop confidential and proprietary information (as defined below) of the Company. Therefore, in consideration of your appointment to the position of _____, and recognizing the highly competitive nature of the Company's business, you agree to enter into this Confidentiality, Non-Competition, and Non-Solicitation Agreement (this "Agreement") intending to be legally bound.

Confidentiality

You acknowledge that, as an employee of the Company, you have access, and are privy, to information which is confidential and proprietary to the Company and which is not generally available to the public from sources outside of the Company. For purposes of this Agreement, Confidential Information includes, but is not limited to strategic plans, trade secrets, inventions, discoveries, technical and operating know-how, accounting information, product information, marketing and sales data, business strategies, customer information, and employee data of the Company, and any similar information, data or materials of third parties that the Company has a duty to keep confidential.

You agree to regard and preserve as confidential any and all Confidential Information pertaining to the Company's operations and affairs and all information which is either learned or obtained by you during your employment, and which you know, or have reason to believe, includes Confidential Information. You agree that you will use Confidential Information only for the performance of your duties for the Company and you agree not to disclose any Confidential Information you acquire, except as expressly permitted below. You understand and agree that this obligation of confidentiality shall continue indefinitely following the termination of your employment with the Company.

Nothing in this Agreement shall prohibit or restrict you from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process; or (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or reporting possible violations or providing information to, any governmental agency or legislative body regarding this Agreement or the Company, including, but not limited to, the Company's Legal Department, the Securities & Exchange Commission, and/or pursuant to the Dodd-Frank Act (including without limitations the whistleblower provisions thereof) or Sarbanes-Oxley Act; provided that, other than with respect to providing information to a governmental agency and to the extent permitted by law, upon receipt of any subpoena, court order or other legal process compelling the disclosure of any such information or documents, you will give the General Counsel of the Company prompt written notice so as to permit the Company to protect its interests in confidentiality to the fullest extent possible. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Agreement are not intended to, and shall be interpreted in a manner that does not, limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended).

Upon termination of your employment or at any time requested by the Company, you will deliver promptly to the Company all memoranda, notes, records, reports and other documents (whether in paper or electronic form and all copies thereof) relating to the business of the Company and all other Company property which you obtained or developed while employed by, or otherwise serving or acting on behalf of, the Company and which you may then possess or have under your control, whether directly or indirectly.

Restrictive Covenants

Non-Competition: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment is voluntary or involuntary), you will not directly or indirectly (i) engage in, carry on, or provide services (paid or unpaid) whether as a director, officer, partner, owner, employee, inventor, consultant, advisor, or agent, to any Competitive Business (as defined below) or (ii) hold any economic interest in any Competitive Business. "Competitive Business" means any domestic or international business or firm (including any business in the process of being formed or planned) that is engaged, or has active plans to become engaged, in any line of business of the Company with which you have had direct functional accountability, or for which you provided leadership or support, during your last eighteen (18) months of employment with the Company. However, notwithstanding the foregoing, you may own up to five percent (5%) of the outstanding securities of any publicly traded company and you shall not be prohibited from becoming employed by, or associated with, a private equity firm or hedge fund (or one of their portfolio companies) that has an investment in a Competitive Business as long as you have no involvement whatsoever with such Competitive Business (including the formation, planning, or acquisition of, or investment in, any such Competitive Business).

It is not the Company's intention to restrict or limit your activities following your termination of employment with the Company unless it is believed that there is a substantial possibility that your future services or activities in any of the lines of business in which the Company is engaged may be detrimental to the Company. So as to not unduly restrict your future employment, if you desire to enter into any employment arrangement or relationship with any potential Competitive Business within the one-year restricted period, please consult with the Executive Vice President of Human Resources of Howmet to discuss your intended relationship with the entity. Due to the many different businesses in which the Company presently engages, or which in the future the Company may engage, we will discuss your desire to enter into a business or professional relationship with any manufacturer or firm which is a Competitive Business. The Company's consent will not be unreasonably withheld.

Also, as a reminder, Howmet stock incentive awards continue to be subject to forfeiture, under the terms of that program, to the extent you become associated with, employed by, render services to, or own any interest in any business that is in competition with the Company or if you engage in willful conduct that is injurious to the Company.

Non-Solicitation: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment was voluntary or involuntary), you will not directly or indirectly (i) solicit, induce or attempt to solicit or induce any employee of the Company to leave the Company for any reason; (ii) hire or attempt to hire any employee of the Company; or (iii) solicit business from, or engage in business with, any customer or supplier of the Company that you met and/or dealt with during your employment with the Company for any

purpose. In the event that you become aware that any employee of the Company has been hired by any business or firm with which you are then affiliated, you will immediately notify the Executive Vice President of Human Resources of Howmet to confirm your non-solicitation of said employee.

You acknowledge and agree that given the nature of the Company's business, which is conducted throughout the world, the unique and extraordinary services you will be providing to the Company and your position of confidence and trust with the Company, the scope and duration of the covenants included in this Agreement (the "Restrictive Covenants") are reasonable and necessary to protect the legitimate business interests of the Company. You further acknowledge that you have received substantial consideration from the Company and that your general skills and abilities are such that you can be gainfully employed in noncompetitive employment, and that this Agreement will in no way prevent you from earning a living following your employment with the Company.

You also recognize and agree that any breach or threatened or anticipated breach of any part of these Restrictive Covenants will result in irreparable harm to the Company, and that the remedy at law for any such breach or threatened breach will be inadequate. Accordingly, in addition to any other legal or equitable remedies that may be available to the Company, you agree that the Company will be entitled to obtain an injunction, without posting a bond, to prevent any breach or threatened breach of any part of these Restrictive Covenants.

In the event that any court of competent jurisdiction finds that the limitations set forth in these Restrictive Covenants are overly broad with respect to duration, geographic scope or scope of prohibited activities, such court will have the authority to reduce the duration, area or activities of such provisions so as to be enforceable to the maximum extent compatible with applicable law, and such provisions will then be enforced as modified.

Notice of Immunity – Defend Trade Secrets Act of 2016

Company employees, contractors, and consultants may disclose Trade Secrets in confidence, either directly or indirectly, to a Federal, State, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, Company employees, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may disclose related Trade Secrets to their attorney and use them in related court proceedings, as long as the individual files documents containing the Trade Secret under seal and does not otherwise disclose the Trade Secret except pursuant to court order.

Governing Law; Jurisdiction

This Agreement will be governed and interpreted in accordance with the laws of the State of Delaware without reference to its choice of law principles. Any action arising out of or related to this Agreement will be brought in the state or Federal courts located in Delaware, and you and the Company consent to the jurisdiction and venue of such courts. You have the right to discuss this Agreement with your private attorney before you sign it.

Amendment; Waiver

No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is in writing. Any failure by you or the Company to enforce any of the provisions of this Agreement should not be construed to be a waiver of such provisions or any right to enforce each and every provision in the future. A waiver of any breach of this Agreement will not be construed as a waiver of any other or subsequent breach.

Successors; Binding Agreement

The Company has the right to assign its rights and obligations under this Agreement to any entity that acquires all or substantially all of the assets of the business for which you work and continues your employment. The rights and obligations of the Company under this Agreement will inure to the benefit and be binding upon the successors and assigns of the Company.

Severability

In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby.

This Agreement is the entire agreement between the parties with respect to the matters covered by this Agreement and it replaces all previous agreements, oral or written, between the parties regarding such matters. PROVISIONS OF THIS AGREEMENT MAY NOT BE WAIVED OR CHANGED EXCEPT BY A SUBSEQUENT AGREEMENT SIGNED BY YOU AND AN OFFICER OF THE COMPANY.

If you agree to the terms of this Agreement, please sign on the line provided below and return two signed copies. A fully executed copy will be returned to you for your files after it is signed by the Company.

Sincerely,

HOWMET AEROSPACE INC.

By: _____

AGREED TO AND ACCEPTED AS OF THIS _____ DAY OF _____, 2021:

Certifications

I, John C. Plant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Howmet Aerospace Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

/s/ John C. Plant

John C. Plant

Executive Chairman and Co-Chief Executive Officer

I, Tolga Oal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Howmet Aerospace Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

/s/ Tolga Oal

Tolga Oal

Co-Chief Executive Officer

I, Ken Giacobbe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Howmet Aerospace Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

/s/ Ken Giacobbe

Ken Giacobbe

Executive Vice President and Chief Financial Officer

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Howmet Aerospace Inc., a Delaware corporation (the "Company"), does hereby certify that:

The Quarterly Report on Form 10-Q for the period ended June 30, 2021 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated:	August 4, 2021	<u>/s/ John C. Plant</u>
		John C. Plant
		Executive Chairman and Co-Chief Executive Officer

Dated:	August 4, 2021	<u>/s/ Tolga Oal</u>
		Tolga Oal
		Co-Chief Executive Officer

Dated:	August 4, 2021	<u>/s/ Ken Giacobbe</u>
		Ken Giacobbe
		Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.