

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended March 31, 2023

or

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

For the transition period from _____ to _____

Commission file number 001-32312

Novelis Inc.

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of incorporation or organization)

98-0442987

(I.R.S. Employer Identification No.)

**3550 Peachtree Road, Suite 1100
Atlanta, GA**

(Address of principal executive offices)

30326

(Zip Code)

Registrant's telephone number, including area code: **(404) 760-4000**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☒ No ☐

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 ☒

The registrant is a voluntary filer and is not subject to the filing requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934. However, the registrant 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.

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 type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

The registrant is a privately held corporation. As of September 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, there was no established public trading market for the common stock of the registrant and therefore, an aggregate market value of the registrant's common stock is not determinable.

As of May 9, 2023, the registrant had 1,000 common shares outstanding. All of the registrant's outstanding shares were held indirectly by Hindalco Industries Ltd., the registrant's parent company.

DOCUMENTS INCORPORATED BY REFERENCE: **None**

COMMONLY USED OR DEFINED TERMS

Term	Definition
Adjusted EBITDA	As defined in Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information
Aleris	Aleris Corporation
AluInfra	AluInfra Services
Alunorf	Aluminium Norf GmbH
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
Duffel	Plant located in Duffel, Belgium, required to be divested (Refer to Note 3 – Discontinued Operations)
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
fiscal 2016	Fiscal year ended March 31, 2016
fiscal 2019	Fiscal year ended March 31, 2019
fiscal 2020	Fiscal year ended March 31, 2020
fiscal 2021	Fiscal year ended March 31, 2021
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ending March 31, 2024
fiscal 2027	Fiscal year ending March 31, 2027
Form 10-K	Annual Report on Form 10-K
FRP	Flat-rolled products
GAAP	Generally Accepted Accounting Principles
Kobe	Kobe Steel, Ltd.
kt	kilotonne (One kt is 1,000 metric tonnes.)
Lewisport	Plant located in Lewisport, Kentucky, required to be divested (Refer to Note 3 – Discontinued Operations)
LIBOR	London Inter-Bank Offered Rate
LME	The London Metals Exchange
LMP	Local market premium
Logan	Logan Aluminum Inc.
MMBtu	One decatherm or 1 million British Thermal Units
OEM	Original equipment manufacturer
PU	Performance units
R&D	Research and development
RSUs	Restricted stock units
SARs	Stock appreciation rights
SEC	United States Securities and Exchange Commission
SG&A	Selling, general and administrative expenses
SOFR	Secured Overnight Financing Rate
Tri-Arrows	Tri-Arrows Aluminum Inc.
UAL	Ulsan Aluminum Ltd.
UBC	Used beverage can
U.K.	United Kingdom
U.S.	United States
VIE	Variable interest entity

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

This document contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which we operate, and beliefs and assumptions made by our management. Such statements include, in particular, statements about our plans, strategies, and prospects under the headings "Item 1. Business," "Item 1A. Risk Factors," and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts" and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements in this Annual Report on Form 10-K include, but are not limited to, the expected timing and results from investments in certain operating facilities, including our greenfield, fully-integrated rolling and recycling mill currently being built in Bay Minette, Alabama; our projections regarding financial performance, liquidity, capital expenditures and investments; and the possible future impacts of the COVID-19 variants or any other epidemic or pandemic and the actions taken against them, including expectations about the impact of any changes in demand as well as volatility and uncertainty in general economic conditions; the possible future impacts of geopolitical instability due in part to the Russia-Ukraine conflict; statements about our belief that long-term demand for aluminum automotive sheet will continue to grow; statements about our expectation that aerospace demand and shipments will continue to grow driven by increased air traffic and a need for fleet modernization; statements about our belief that significant aircraft industry order backlogs for key OEMs, including Airbus and Boeing, will translate into growth in the future and that our multi-year supply agreements have positioned us to benefit from future expected demand; statements about our belief that long term demand for flat-rolled aluminum remains strong; and statements about our expectation that long-term demand for building and construction and other specialty products will grow. These statements are based on beliefs and assumptions of Novelis' management, which in turn are based on currently available information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things:

- disruptions or changes in the business or financial condition of our significant customers or the loss of their business or reduction in their requirements;
- price and other forms of competition from other aluminum rolled products producers and potential new market entrants;
- competition in our end-markets, and the willingness of our customer to accept substitutes for our products, including steel, plastics, composite materials and glass;
- our inability to realize the anticipated benefits of strategic investments;
- increases in the cost or volatility in the availability of primary aluminum, scrap aluminum, sheet ingot, or other raw materials used in the production of our products;
- rises in energy costs or disruptions to our energy supplies;
- downturns in the automotive and ground transportation industries or changes in consumer demand;
- public health crises, such as the recently experienced COVID-19 pandemic;
- union disputes and other employee relations issues;
- loss of our key management and other personnel, or an inability to attract and retain such management and other personnel;
- unplanned disruptions at our operating facilities;
- exposure to economic and political risks associated with our global operations;
- economic uncertainty, capital markets disruption and supply chain interruptions, including as a result of geopolitical instability due to the ongoing military conflict between Russia and Ukraine;
- risks relating to certain joint ventures, subsidiaries and assets that we do not entirely control;
- security breaches and other disruptions to our information technology networks and systems;
- increased freight costs on imported products;
- timing differences between the prices we pay under purchase contracts and metal prices we charge our customers;

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

- a deterioration of our financial condition, a downgrade of our ratings by a credit rating agency or other factors which could limit our ability to enter into, or increase our costs of, financing and hedging transactions;
- risks related to variable rate indebtedness, including interest rate risk;
- adverse changes in currency exchange rates;
- our inability to transact in derivative instruments, if our exposure to price fluctuations is not adequately hedged under derivative instruments, or if counterparties to our derivative instruments fail to honor their agreements;
- an adverse decline in the liability discount rate, lower-than-expected investment return on pension assets;
- impairments to our goodwill, other intangible assets and other long-lived assets;
- tax expense, tax liabilities or tax compliance costs;
- operating and financial restrictions imposed on us by the covenants in our credit facilities and the indentures governing our Senior Notes;
- our inability to protect our intellectual property, the confidentiality of our know-how, trade secrets, technology, and other proprietary information;
- risks related to our global operations, including the impact of complex and stringent laws and government regulations;
- global climate change or the legal, regulatory or market responses to such change;
- risks related to the broad range of environmental, health and safety laws and regulations to which we are subject, and any related exposure to substantial environmental, health and safety costs and liabilities;
- our failure to comply with laws and regulations and industry standards relating to privacy, data protection, advertising and consumer protection; and
- exposure to significant legal proceedings or investigations.

The above list of factors is not exhaustive.

This document also contains information concerning our markets and products generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which these markets and product categories will develop. These assumptions have been derived from information currently available to us and to the third-party industry analysts quoted herein. This information includes but is not limited to product shipments and share of production. Actual market results may differ from those predicted. We do not know what impact any of these differences may have on our business, our results of operations, financial condition, and cash flow. For a discussion of some of the specific factors that may cause Novelis' actual results or outcomes to differ materially from those projected in any forward-looking statements, refer to the following sections of this report: [Part I, Item 1A, Risk Factors](#) and [Part II, Item 7, Management's Discussion and Analysis of Financial Condition](#) and [Results of Operations](#).

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

In this Form 10-K, unless otherwise specified, the terms "we," "our," "us," "Company," and "Novelis" refer to Novelis Inc., a company incorporated in Canada under the Canadian Business Corporations Act, and its subsidiaries. References herein to "Hindalco" refer to Hindalco Industries Limited, which acquired Novelis in May 2007. Unless otherwise specified, the period referenced is the current fiscal year.

Commonly Referenced Data

As used in this Form 10-K, consolidated "aluminum rolled product shipments," "flat-rolled product shipments," or "shipments" refers to aluminum rolled product shipments to third parties. Regional "aluminum rolled product shipments," "flat-rolled product shipments," or "shipments" refers to aluminum rolled product shipments to third parties and intersegment shipments to other Novelis regions. Shipment amounts also include tolling shipments. References to "total shipments" include aluminum rolled product shipments as well as certain other non-rolled product shipments, primarily scrap, UBCs, ingots, billets, and primary remelt. The term "aluminum rolled products" is synonymous with the terms "flat-rolled products" and "FRP" which are commonly used by manufacturers and third-party analysts in our industry. All tonnages are stated in metric tonnes. One metric tonne is equivalent to 2,204.6 pounds. One kt is 1,000 metric tonnes.

A significant amount of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of our flat-rolled products have a price structure with three components: (1) a base aluminum price quoted off the LME; (2) a LMP; and (3) a "conversion premium" to produce the rolled product which reflects, among other factors, the competitive market conditions for that product. The use of the term "conversion premium" in this Form 10-K, refers to the conversion costs plus a margin we charge our customers to produce the rolled product, which reflects, among other factors, the competitive market conditions for that product, exclusive of the pass through aluminum price.

PART I

Item 1. Business.

Overview

Novelis is driven by its purpose of shaping a sustainable world together. We consider ourselves a global leader in the production of innovative, sustainable aluminum products and solutions and the world's largest recycler of aluminum. Our ambition is to be the leading provider of low-carbon, sustainable aluminum solutions and to achieve a fully circular economy by partnering with our suppliers and customers in beverage packaging, automotive, aerospace, and specialties (a diverse market including building and construction; signage; foil and packaging; commercial transportation; and commercial and consumer products, among others) markets throughout North America, Europe, Asia, and South America. Novelis is a subsidiary of Hindalco, an industry leader in aluminum and copper and the metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai. We have recycling operations in many of our plants to recycle both post-consumer and post-industrial aluminum. During fiscal 2023, we had total shipment volumes of 4,071 kt and net sales of \$18.5 billion.

Our History

Organization and Description of Business

Novelis was formed in Canada on September 21, 2004. On May 15, 2007, Novelis was acquired by Hindalco. Effective September 1, 2022, Novelis Inc. and AV Metals, Inc. (which, prior to such date, was our sole shareholder and a wholly owned subsidiary of AV Minerals (Netherlands) N.V.) completed a plan of arrangement, pursuant to which AV Metals, Inc. merged with and into Novelis Inc., with Novelis Inc. surviving the merger. As of the effectiveness of the plan of arrangement, all of the outstanding shares of Novelis are owned directly by AV Minerals (Netherlands) N.V. and indirectly by Hindalco. Prior to the effectiveness of the plan of arrangement, AV Metals, Inc. was a holding company, with its assets being comprised solely of its investment in Novelis, and without any operations. The plan of arrangement was a combination of entities under common control and resulted in a change in the reporting entity. The opening balance of additional paid-in capital has been increased and that of retained earnings reduced by \$4 million in the earliest period presented.

We produce aluminum plate, sheet, and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, aerospace, electronics, architectural, and industrial product markets. As of March 31, 2023, we had manufacturing operations in nine countries on four continents: North America, South America, Europe, and Asia, with 33 operating facilities, which may include any combination of hot or cold rolling, finishing, casting, or recycling capabilities. We have recycling operations in 15 of our operating facilities to recycle post-consumer aluminum, such as UBCs, and post-industrial aluminum, such as class scrap.

Our Industry

The aluminum rolled products market represents the global supply of, and demand for, aluminum sheet, plate, and foil produced either from sheet ingot or continuously cast roll-stock in rolling mills operated by both independent aluminum rolled products producers and integrated aluminum companies.

Aluminum rolled products are semi-finished aluminum products that constitute the raw material for the manufacture of finished goods ranging from automotive structures and body panels to food and beverage packaging. There are two major types of manufacturing processes for aluminum rolled products differing mainly in the process used to achieve the initial stage of processing:

- *hot mills* — which require sheet ingot, a rectangular slab of aluminum, as starter material; and
- *continuous casting mills* — which can convert molten metal directly into semi-finished sheet.

Both processes require subsequent rolling, which we refer to as cold rolling, and finishing steps such as annealing, coating, leveling, or slitting to achieve the desired thickness, width and metal properties. Most customers receive shipments in the form of aluminum coil, a large roll of metal, which can be utilized in their fabrication processes.

Industry Sources of Metal

There are two sources of input material: (1) primary aluminum, produced from alumina (extracted from bauxite), processed in a smelter, and (2) recycled aluminum, produced by remelting post-industrial and post-consumer scraps.

Primary aluminum and sheet ingot can generally be purchased at prices set on the LME, plus an LMP that varies by geographic region of delivery, alloying material, form (ingot or molten metal) and purity.

Recycled aluminum is generally produced internally from procured scrap or purchased at a discount compared to the price of primary aluminum depending on type and quality of the scrap, geographic region, and other market factors.

Industry End-use Markets

Aluminum rolled products companies produce and sell a wide range of products, which can be grouped into five end-use markets: (1) packaging, (2) transportation, (3) architectural, (4) industrial, and (5) consumer durables and other. Within each end-use market, aluminum rolled products are manufactured with a variety of alloy mixtures, including a range of tempers (hardness), gauges (thickness), and widths as well as various coatings and finishes. Large customers typically have customized needs that require close working relationships, including technical development and support with their supplying mills.

Aluminum has a wide variety of uses in end-use markets because of its lightweight characteristics, recyclability, and formability properties. The recyclability of aluminum enables it to be used, collected, melted, and returned to the original product form an unlimited number of times, unlike paper and polyethylene terephthalate plastic, which deteriorate with every iteration of recycling.

Packaging. Aluminum is used in beverage cans and bottles, food cans, beverage screw caps, and foil, among others. Packaging is the largest aluminum rolled products application, according to market data from Commodity Research Unit International Limited, an independent business analysis and consultancy group. Beverage cans are one of the largest aluminum rolled products applications. We believe aluminum remains the most sustainable packaging material for beverage brands. In addition to their recyclability, aluminum beverage cans offer advantages in fabricating efficiency and product shelf life. Fabricators are able to produce and fill beverage cans at very high speeds, and non-porous aluminum cans provide longer shelf life than glass or polyethylene terephthalate plastic containers. Additionally, the use of aluminum to package beverages such as craft beer is increasing, as aluminum blocks sunlight and therefore maintains the quality and taste of the product longer. Aluminum cans are light, stackable and use space efficiently, making them convenient and cost-efficient to ship.

Beverage can sheet is sold in coil form for the production of can bodies, ends, and tabs. The material can be ordered as rolled, degreased, pre-lubricated, pre-treated, and/or lacquered. Typically, can makers define their own specifications for material to be delivered in terms of alloy, gauge, width, and surface finish.

Foil wrap or packaging foil is another packaging application and it includes household and institutional aluminum foil. Container foil is used to produce semi-rigid containers such as pie plates and take-out food trays.

Transportation. Aluminum rolled products are used in vehicle structures (also known as "body-in-white") as well as automotive body panel applications, including hoods, doors, deck lids, fenders, and lift gates. Flat-rolled aluminum sheet is also used in the production of battery enclosures for the growing electric vehicle market. These uses typically result from cooperative efforts between aluminum rolled products manufacturers and their customers that yield solutions for specific requirements in alloy selection, fabrication procedure, surface quality and joining. There has been recent growth in certain geographic markets in passenger and commercial vehicle applications due to the lighter weight, better fuel economy and improved emissions performance associated with these applications. We expect increased growth in this end-use market driven by the increased adoption of electric vehicles, which use higher amounts of aluminum, as well as government regulations requiring improved emissions and better fuel economy for internal combustion engine vehicles, while also maintaining or improving vehicle performance and safety.

Heat exchangers, such as radiators, air conditioners, and auto fin material, are an important application for aluminum rolled products in the transportation end-use market. Original equipment manufacturers also use aluminum sheet, with specially treated surfaces and other specific properties, for interior and exterior applications. Newly developed alloys are being used in transportation tanks and rigid containers, allowing for safer and more economical transportation of hazardous and corrosive materials.

Aluminum is also used in aerospace applications, as well as in the construction of ships' hulls, superstructures, and passenger rail cars because of its strength, light weight, formability, and corrosion resistance.

Architectural. Construction is the largest application within this end-use market. Aluminum rolled products developed for the construction industry are often decorative and non-flammable, offer insulating properties, are durable and corrosion resistant, and have a high strength-to-weight ratio. Aluminum siding, gutters, and downspouts comprise a significant amount of construction volume. Other applications include doors, windows, awnings, canopies, facades, roofs, and ceilings.

Industrial. Industrial applications include heat exchangers, process and electrical machinery, lighting fixtures, furniture, and insulation.

Consumer Durables and Other. Aluminum's lightweight characteristics, high formability, ability to conduct electricity and dissipate heat and its corrosion resistance makes it useful in a wide variety of electronic applications. Uses of aluminum rolled products in electronics include flat screen televisions, personal computers, laptops, and mobile devices. Other uses of aluminum rolled products in consumer durables include microwaves, coffee makers, air conditioners, and cooking utensils.

Market Structure and Competition

The aluminum rolled products market is highly competitive and is characterized by economies of scale, and significant capital investments are required to achieve and maintain technological capabilities and demanding customer qualification standards. Our primary aluminum competitors are as follows.

North America

Arconic Corporation ("Arconic")
Commonwealth Rolled Products
Constellium SE ("Constellium")
Golden Aluminum
Gränges AB
JW Aluminum
Kaiser Aluminum
Ma'aden - Saudi Arabian Mining Company ("Ma'aden")
Shandong Nanshan Aluminum Co., Ltd.
UACJ Corporation/Tri-Arrows

Asia

Arconic
Binzhou Weiqiao Aluminium Science & Technology Co., Ltd.
China Zhongwang Holdings Limited
Chinalco Group
Henan Mingtai Aluminum Industrial Co., Ltd.
Henan Zhongfu Industrial Co., Ltd.
Kobe
Ma'aden
Shandong Nanshan Aluminum Co., Ltd.
Southwest Aluminum (Group) Co., Ltd.
UACJ Corporation

Europe

Aluminum Duffel BV
AMAG Austria Metall AG
Arconic
Constellium
Elval Hellenic Aluminium Industry S.A.
Gränges AB
Henan Zhongfu Industrial Co., Ltd.
Hulamin
Ma'aden
Shandong Nanshan Aluminum Co., Ltd.
Speira GmbH

South America

Companhia Brasileira de Alumínio
Hulamin Limited
Shandong Nanshan Aluminum Co., Ltd.

The factors influencing competition vary by region and end-use market, but generally we compete on the basis of our value proposition, which includes price, product quality, the ability to meet customers' specifications, range of products offered, lead times, technical support, and customer service. In some end-use markets, competition is also affected by fabricators' requirements that suppliers complete a qualification process to supply their plants. This process can be rigorous and may take many months to complete. As a result, obtaining business from these customers can be a lengthy and expensive process. However, the ability to obtain and maintain these qualifications can represent a competitive advantage.

In addition to competition from others within the aluminum rolled products industry, we also face competition from non-aluminum material producers. In the packaging end-use market (primarily beverage and food cans), aluminum rolled products compete mainly with glass, polyethylene terephthalate plastic, and in some regions, steel. In the transportation end-use market, aluminum rolled products compete mainly with steel and composites. Aluminum competes with wood, plastic, cement, steel and other materials in building products applications. Aluminum competes with steel, copper, plastic, glass, and other materials in industrial applications. Additionally, aluminum rolled products compete mainly with plastic, steel, and magnesium in the consumer durables end-use market. Factors affecting competition with substitute materials include price, ease to manufacture, consumer preference and performance characteristics.

Key Factors Affecting Supply and Demand

The following factors have historically affected the supply of aluminum rolled products:

Production Capacity and Alternative Technology. The addition of rolling capacity requires large capital investments and significant plant construction or expansion, and typically requires long lead-time equipment orders. Advances in technological capabilities allow aluminum rolled products producers to better align product portfolios and supply with industry demand. There are lower cost ways to enter the industry such as continuous casting, which offers the ability to increase capacity in smaller increments than is possible with hot mill additions. However, the continuous casting process results in a more limited range of products.

Trade. Some trade flows occur between regions despite shipping costs, import duties, tariffs, and the lack of localized customer support. Higher value-added products are more likely to be traded internationally, especially if demand in certain markets exceeds local supply. With respect to less technically demanding applications, emerging markets with low cost inputs may export commodity aluminum rolled products to larger, more mature markets as we have seen with China.

The following factors have historically affected the demand for aluminum rolled products:

Economic Growth. We believe that economic growth is a significant driver of aluminum rolled products demand. In mature markets, growth in demand has typically correlated closely with industrial production growth. In many emerging markets, growth in demand typically exceeds industrial production growth largely because of expanding infrastructures, capital investments and rising incomes that often accompany economic growth in these markets.

Substitution Trends. Manufacturers' willingness to substitute other materials for aluminum in their products and competition from substitution materials suppliers also affect demand. There has been a strong substitution trend toward aluminum in the use of vehicles as automobile manufacturers look for ways to meet fuel efficiency regulations; improve performance; reduce carbon emissions in a cost-efficient manner; and lower vehicle weight, particularly in electric vehicles. As a result of aluminum's durability, strength and light weight, automobile manufacturers are substituting heavier alternatives, such as steel and iron, with aluminum. Carbon fiber and plastics are other lightweight material options, but their relatively high cost and limited end-of-life recyclability reduce their competitiveness as widespread material substitutes today. Consequently, demand for flat-rolled aluminum products has increased. We also see strong substitution trends toward aluminum in the beverage packaging market. With aluminum being the most sustainable packaging material for beverages, demand for infinitely recyclable aluminum remains strong. Package mix shift from other materials like glass, steel and polyethylene terephthalate into aluminum, and new beverage introductions – such as energy drinks, canned cocktails, spiked seltzer, and sparkling waters – all support demand levels.

Seasonality. During our third fiscal quarter, we typically experience seasonal slowdowns resulting in lower shipment volumes, although this has been less significant as our product portfolio shifts and diversifies. This is a result of declines in overall production output due primarily to holidays and cooler weather in North America and Europe, our two largest operating regions. We also experience downtime at our mills and customers' mills due to scheduled plant maintenance and are impacted to a lesser extent by the seasonal downturn in construction activity.

Sustainability. Growing awareness of environmentalism and demand for recyclable products has increased the demand for aluminum rolled products, particularly increased consumer preference for more sustainable beverage packaging options. Unlike other commonly recycled materials such as paper or polyethylene terephthalate plastic, aluminum can be infinitely recycled without affecting the quality of the product. Additionally, the recycling process uses approximately 95% less energy than is required to produce primary aluminum from mining and smelting, with an approximate equivalent reduction in greenhouse gas emissions.

Our Business Strategy

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Form 10-K, particularly in [Special Note Regarding Forward-Looking Statements and Market Data](#) and [Part I, Item 1A. Risk Factors](#).

Novelis is driven by its purpose of shaping a sustainable world together. Our ambition is to be the world's leading provider of low-carbon, sustainable aluminum solutions that advance our business, industry, and society toward the benefits of a circular economy. To achieve these objectives, we plan to focus on the following areas:

Defend the Core

Novelis is the leading global flat-rolled aluminum supplier in the beverage packaging and automotive markets. We intend to protect our leadership position by continuing to deliver best-in-class customer service with high quality, service and innovative solutions that differentiate our products. We are committed to producing the best quality products and aiming to provide reliable, on-time delivery in order to be a true partner in innovation and sustainable supply solutions. We are focused on building and maintaining strong, positive relationships with all of our customers and increasing our production capacity to meet growing demand. We have established a global network of Customer Solution Centers to accelerate collaborative innovation between Novelis and our automotive and beverage packaging customers to determine how to maximize lightweight, high-strength aluminum for the next generation of vehicle and packaging design.

In addition, we plan to maintain a competitive cost structure by managing metal input costs and employing initiatives to improve operational efficiencies across our global network. This includes a commitment to employee safety, product quality, and system reliability. As a manufacturing organization, we are committed to a culture focused on health and safety across all levels of the organization. We are focused on optimizing our manufacturing and recycling operations to increase asset utilization and productivity. We continue to pursue a standardization of our manufacturing processes where possible, while still allowing the flexibility to respond to local market demands.

Utilizing recycled material allows us to diversify our metal supply, helps control metal costs, and provides environmental benefits. We define recycled content as total aluminum rolled product shipments minus primary metal (net of metal loss) plus coated scrap and runaround melt loss. The percentage of recycled content within our aluminum rolled product shipments has increased from 33% to 61% from fiscal 2011 to fiscal 2023. We work closely with our customers on innovation to drive more sustainable products for society. We are the only company of its size offering high-recycled content aluminum sheet for beverage and specialty product customers. We are also working closely with our automotive customers to redesign automotive alloys to be made with more recycled inputs, as well as purchasing the aluminum scrap resulting from our closed-loop recycling partnership with our automotive customers.

Strengthen our Product Portfolio

We maintain a focus on capturing global growth in beverage packaging, automotive, aerospace, and specialty products markets. Our management approach helps us to systematically identify opportunities to improve the profitability of our operations through product portfolio analysis. This helps us target growth in attractive market segments, while also taking actions to exit or minimize participation in less attractive ones. We will continue to focus on these core product markets to drive profitability, while also aiming to broaden our customer base and explore new verticals and product markets that fit within our overall strategic vision, which is to lead the aluminum industry as the partner of choice for innovative solutions.

Invest in Growth Opportunities

Over the past several years, we have invested in world-class assets and technical capabilities to meet increasing global demand for aluminum, particularly within the automotive market due to our continued focus on scaling our business model and growing alongside our customers.

With strong markets, innovative products, solid customer partnerships, financial flexibility, and decades of manufacturing and recycling experience, we expect to see robust growth and organic investment opportunities for many years to come, despite the near term headwinds encountered in fiscal 2023 and late fiscal 2022. We have identified more than \$4.5 billion of potential organic growth capital spend opportunities focused on increasing capacity and capabilities that meet growing customer demand and align with our sustainability commitments. Approximately \$3.3 billion of specific, announced projects are already underway, with additional rolling and recycling capacity investment opportunities under appraisal.

We believe Novelis has the balance sheet strength and financial flexibility to invest in growth in a prudent, disciplined manner that will allow us to maintain net debt leverage targets and shareholder return commitments. We also plan to continue to implement world class manufacturing initiatives and leverage digital technologies and other advancements in R&D and IT to unlock capacity, capture growth, and support sustainability initiatives.

For a discussion of recent commitments and expenditures, see [Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#).

Working Capital

We manage working capital based on cash needs and to balance the timing of trade payables and receivables, including through factoring of trade receivables.

Raw Materials and Suppliers

The input materials we use in manufacturing include primary aluminum, recycled aluminum, sheet ingot, alloying elements, and grain refiners. These raw materials are generally available from several sources and are not generally subject to supply constraints in normal market conditions. We also consume considerable amounts of energy in the operation of our facilities. For a discussion of current inflation and supply chain impacts on our materials, see [Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#).

Aluminum

We obtain aluminum from a number of sources, including the following:

Primary Aluminum Sourcing. We purchased or tolled approximately 1,465 kt of primary aluminum in fiscal 2023 in the form of sheet ingot, standard ingot, and molten metal.

Aluminum Products Recycling. We operate facilities in several plants to recycle post-consumer aluminum, such as UBCs collected through recycling programs. In addition, we have agreements with several of our large customers to have a closed-looped system whereby we take production scrap material from their fabricating activity and re-melt, cast, and roll it to re-supply these customers with aluminum sheet. Other sources of recycled material include lithographic plates and products with longer lifespans, like vehicles and buildings, which are starting to become high-volume sources of recycled material. We purchased or tolled approximately 2,325 kt of recycled content in fiscal 2023.

The overall benefit we receive from utilizing recycled metal is influenced by the overall price levels of the LME and local market premiums, the spread between the price for recycled aluminum and the LME primary aluminum price, and our consumption levels of the recycled material inputs. We have in the past and may continue to seek to stabilize our future exposure to metal prices through the use of derivative instruments.

Energy

We use several sources of energy in the manufacturing and delivery of our aluminum rolled products. In fiscal 2023, natural gas and electricity represented approximately 98% of our energy consumption by cost. We also use fuel oil and transport fuel. The majority of energy usage occurs at our casting centers and during the hot rolling process. Our cold rolling facilities require relatively less energy. We purchase our natural gas on the open market, which subjects us to market pricing fluctuations. We have in the past and may continue to seek to stabilize our future exposure to natural gas prices through the use of derivative instruments. A portion of our electricity requirements are purchased pursuant to long-term contracts in the local regions in which we operate. A number of our facilities are located in regions with regulated prices, which affords relatively stable costs. We have fixed pricing on some of our energy supply arrangements.

Our Operating Segments

Due in part to the regional nature of supply and demand of aluminum rolled products and in order to best serve our customers, we manage our activities on the basis of geographical areas and are organized under four operating segments: North America, Europe, Asia, and South America. Each segment manufactures aluminum sheet and light gauge products and recycles aluminum, while our Asia and Europe segments also produce aerospace and industrial plate.

The table below shows net sales and total shipments by segment. For additional financial information related to our operating segments, see [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#) to our accompanying consolidated financial statements.

<i>Net sales in millions/shipments in kt</i>	Fiscal 2023		Fiscal 2022		Fiscal 2021	
Consolidated						
Net sales	\$	18,486	\$	17,149	\$	12,276
Total shipments		4,071		4,080		3,839
North America⁽¹⁾						
Net sales	\$	7,550	\$	6,735	\$	4,558
Total shipments		1,530		1,480		1,381
Europe⁽¹⁾						
Net sales	\$	5,059	\$	4,720	\$	3,552
Total shipments		1,147		1,187		1,099
Asia⁽¹⁾						
Net sales	\$	3,014	\$	3,036	\$	2,182
Total shipments		753		788		751
South America⁽¹⁾						
Net sales	\$	2,893	\$	2,638	\$	1,798
Total shipments		754		716		671

(1) Net sales and total shipments by segment include intersegment sales and the results of our affiliates on a proportionately consolidated basis, which is consistent with the way we manage our business segments.

A description of our operating segments during all or part of fiscal 2023 follows.

North America

Novelis North America operates 17 aluminum products facilities. This includes seven facilities with recycling operations that re-melt post-consumer aluminum and recycled process material. Most of the recycled material is from UBCs and automotive scrap, and the material is cast at our plants in Berea, Kentucky; Davenport, Iowa; Greensboro, Georgia; Oswego, New York; Richmond, Virginia; Russellville, Kentucky; and Uhrichsville, Ohio.

Our North American facilities manufacture a broad range of aluminum sheet and light gauge products. End-use markets for this segment primarily include beverage and food cans, containers and packaging, automotive and other transportation applications, architectural, and other industrial applications. Beverage and food can represent the largest end-use market in terms of shipment volume for North America.

A significant portion of North America's volumes is also directed toward the aluminum automotive sheet market, produced out of our plants in Oswego, New York; Kingston, Ontario; and Guthrie, Kentucky.

We currently have large capital expenditures projects underway to expand rolling capacity in Oswego, New York, and Logan, Kentucky, and to construct a highly advanced automotive recycling facility in Guthrie, Kentucky. We have also broken ground on our investment of approximately \$2.5 billion to build a fully integrated, greenfield rolling and recycling facility in Bay Minette, Alabama, with an annual rolled aluminum production capacity of 600 kt.

Europe

Novelis Europe operates 10 aluminum rolled product facilities, including five facilities with recycling operations. Recycling activities occur at plants in Latchford, United Kingdom; Pieve, Italy; and Nachterstedt, Neuss, and Voerde, Germany.

Our European facilities manufacture a broad range of sheet, plate, and foil products. End-use markets for this segment include beverage and food can, automotive, architectural and industrial products, foil products, aerospace, and other products. Beverage packaging represents the largest end-use market in terms of shipment volume for Europe.

Due to strong consumer demand for sustainable aluminum products, we are evaluating additional rolling and recycling capacity expansion in Europe.

Asia

Novelis Asia operates four aluminum rolled product facilities, including two facilities with recycling operations. Recycling activities occur at the Ulsan and Yeongju, South Korea, plants. The Ulsan facility operates as UAL, a 50/50 joint venture with Kobe. Our Asia facilities manufacture a broad range of aluminum sheet, plate, and light gauge products. End-use markets include beverage and food cans, electronics, architectural, automotive, foil, industrial, aerospace, and other products. The beverage packaging market represents the largest end-use market in terms of volume. However, we are increasing shipments of aluminum automotive sheet through the 100 kt automotive finishing capacity expansion at our Changzhou, China, facility, completed in fiscal 2022.

We are expanding our recycling capacity and capabilities with a \$50 million recycling capacity expansion at UAL. We also have plans to invest approximately \$375 million into our operating facility in Zhenjiang, China, aimed at expanding its automotive aluminum capabilities and recycling operations, and releasing rolling capacity at UAL, to serve the can and specialty markets. In an effort to prudently phase capital spending in a disciplined manner, other announced organic growth investments already underway are being prioritized ahead of this investment.

Due to strong consumer demand for sustainable aluminum products, in late 2022, we announced a \$20 million debottlenecking investment at our Yeongju, South Korea plant to unlock approximately 50 kt of capacity.

South America

Novelis South America operates two aluminum rolled product facilities. This includes one facility with recycling operations. Our South American facilities manufacture a broad range of can sheet, industrial sheet, and light gauge products. The primary markets are beverage and food can, specialty, industrial, foil and other packaging, and transportation end-use applications. Beverage packaging represents the largest end-use application in terms of shipment volume.

In fiscal 2022, we completed a \$150 million investment to expand both rolling and recycling capacity by 100 kt each at our Pindamonhangaba, Brazil, plant.

In March 2022, due to strong consumer demand for sustainable beverage packaging, we announced a \$50 million debottlenecking investment at our plant located in Pindamonhangaba, Brazil, to unlock approximately 70 kt of rolling capacity.

Due to strong consumer demand for sustainable aluminum products, we are evaluating additional rolling and recycling capacity expansion in Brazil.

Financial Information About Geographic Areas

Certain financial information about geographic areas is contained in [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#) to our accompanying consolidated financial statements.

Our Customers

We focus significant efforts on developing and maintaining close working relationships with our customers and end-users. Our major customers include:

Beverage Packaging

- Anheuser-Busch InBev
- Ardagh Group
- Ball Corporation
- Can-Pack S.A.
- Crown Holdings Inc.
- PepsiCo
- Various bottlers of the Coca-Cola System

Automotive

- BMW Group
- Daimler Group
- Ford Motor Company
- General Motors LLC
- Honda Motor Company
- Hyundai Motors Corporation
- Jaguar Land Rover
- NIO
- Renault-Nissan-Mitsubishi Alliance
- Rivian
- Stellantis
- Tesla, Inc.
- Toyota Motor Corporation
- Volkswagen Group
- Volvo Cars

Specialties

- Amcor
- American Construction Metals
- DENSO
- Gentek
- HFA
- Kaycan Limited
- Mahle Behr
- Omnimax International, Inc.
- Ply Gem/Mastic Home Exteriors
- Prefa
- Reynolds Consumer Products LLC
- Ryerson Inc.
- Samsung SDI
- Samwon Industry Co., Ltd.
- Service Partners Gutter Supply LLC

Aerospace

- Airbus
- AVIC/COMAC
- Boeing
- Bombardier
- Embraer

Our single largest end-use product is beverage packaging. We sell can sheet directly to beverage makers and bottlers as well as to can fabricators that sell the cans they produce to bottlers. In certain cases, we operate under umbrella agreements with beverage makers and bottlers under which they direct their can fabricators to source their requirements for beverage can body, can end stock, and tab stock from us.

Additional information related to our top customers is contained in [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#) to our accompanying consolidated financial statements.

Distribution

We have two principal distribution channels for the end-use markets in which we operate: direct sales to our customers and sales to distributors.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Direct sales as a percentage of total net sales	93 %	96 %	94 %
Distributor sales as a percentage of total net sales	7	4	6

Direct Sales

We supply various end-use markets all over the world through a direct sales force operating from individual facilities or sales offices, as well as from regional sales offices. The direct sales channel typically serves very large, sophisticated fabricators and OEMs. Longstanding relationships are maintained with leading companies in industries using aluminum rolled products. Supply contracts for large global customers generally range from one to five years in length and, historically, there has been a high degree of renewal business with these customers. Certain customers require suppliers to complete a lengthy and expensive qualification process. The ability to obtain and maintain these qualifications can represent a competitive advantage. Given the customized nature of products and in some cases, large order sizes, switching costs are significant, thus adding to the overall consistency of the customer base.

We also use third-party agents or traders in some regions to complement our own sales force. These agents provide service to our customers in countries where we do not have local expertise.

Distributors

We also sell our products through third-party aluminum distributors. Customers of distributors are widely dispersed, and sales through this channel are highly fragmented. Distributors sell mostly commodity or less specialized products into many end-use markets in small quantities, including the architectural and industrial markets. We collaborate with our distributors to develop new end-use products and improve the supply chain and order efficiencies.

Research and Development

The table below summarizes our R&D expenses, which include mini-scale production lines equipped with hot mills, can lines, and continuous casters.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Research and development expenses	\$ 95	\$ 92	\$ 83

We conduct R&D activities in order to meet current and future customer requirements, improve our products, and reduce our conversion costs. We have a global research and technology center in Kennesaw, Georgia, which offers state of the art research and development capabilities to help Novelis meet the global long-term demand for aluminum used for the beverage packaging, automotive, aerospace, and specialties markets. We also have a global casting engineering and technology center in Spokane, Washington, specializing in molten metal processing; automotive research and technology centers in Shanghai, China, and Sierre, Switzerland; a research and technology center specializing in the development of new products and processes for our can and specialties customers in Göttingen, Germany; an automotive customer solution center in Novi, Michigan; a beverage packaging customer solution center in São José dos Campos, Brazil; a research and development laboratory to advance carbon neutral solutions for aluminum manufacturing in Sierre, Switzerland; and aerospace innovation centers in Koblenz, Germany, and Zhenjiang, China.

Human Capital Resources

Our Employee Base

Novelis operates an integrated network of 33 technically advanced rolling and recycling facilities across North America, Europe, Asia, and South America. We have 17 operating facilities in North America, 10 in Europe, four in Asia, and two in South America. We have approximately 13,170 employees supporting our operations across nine countries.

The table below summarizes our approximate number of employees by region, excluding our proportionate share of those employed by less than wholly owned affiliates as well as temporary employees.

	North America ⁽¹⁾	Europe	Asia	South America	Total
March 31, 2023	4,940	4,710	1,830	1,690	13,170

(1) Includes employees within our Corporate headquarters located in Atlanta, Georgia, and our R&D facility located in Kennesaw, Georgia.

Purpose and Culture

We are proud of our purpose – Shaping a Sustainable World Together – which is supported by our vision – To Be the Leading Provider of Sustainable and Innovative Aluminum Solutions.

We provide training on our Code of Conduct, which reminds our people that we are committed to operating with high ethical standards and supporting a culture of integrity.

Diversity and Inclusion

We believe that the diverse backgrounds, expertise, and perspectives of our employee base contribute to our success and help us achieve our ambitious goals. Consistent with that belief, we aim to continue to build inclusive and diverse teams, and we are targeting increasing the percentage of women in Novelis' leadership and operational and technical roles. We support and embrace the diversity of our employees at all levels, and we focus on empowering our employee resource groups to create a more inclusive workplace.

Safety

We are focused on safety as a key priority. Guiding us in this direction is our Novelis Safety System, which provides us with a systematic approach to identifying, managing, and mitigating risks in our operations. In addition, we ask all Novelis employees to look out for their own safety, as well as that of their colleagues, by following three basic safety obligations: (1) I will work safe, (2) I will intervene if I see somebody working unsafe, and (3) I will stop any unsafe behavior if intervened upon.

Talent Development

At Novelis, we make it a priority to identify and nurture talent. We are proud of programs, such as:

- Global Accelerated Leadership Program – Designed to develop talent for possible future leadership roles.
- Global Technical Training – High-impact technical training topics, relevant for entry-level or mid-career technical employees.
- Engineering Development Program – Technical talent pipeline enhancer that exposes participants to leaders from across the organization and includes courses on a wide-variety of technical and business subjects.

Community Engagement

Our Corporate Social Responsibility mission is to improve the quality of life in the communities where we operate and society as a whole. Novelis Neighbor is our global program for sponsoring and coordinating our community engagement and charitable investment efforts. As part of our worldwide corporate social responsibility campaign, Novelis employees support hundreds of community projects year-round. These projects are reflective of our company purpose of Shaping a Sustainable World Together and focused on advancing STEM education; increasing recycling by consumers; and supporting the most pressing needs of our local communities.

Compensation and Benefits Programs

Our compensation and benefits programs are designed to attract, retain, and engage a talented workforce. We believe our programs are competitive with our peers and emphasize performance-based compensation to align employee rewards with company performance. Benefits are a key component of our total rewards package. We offer a holistic benefits package designed to provide greater security for our employees and their families through healthcare, life insurance, paid parental leave, disability benefits, savings and retirement, and various other welfare benefit programs generally available to all active full-time employees through plans we sponsor or through social programs in the countries where we operate. We regularly conduct market pay equity assessments and compensation reviews, and we continue to actively work to reduce unconscious bias in our sourcing, hiring practices, performance reviews, and promotion opportunities that may contribute to pay inequities.

Employee Relations

We consider our employee relations to be satisfactory. A substantial portion of our employees are represented by labor unions and their employment conditions are governed by collective bargaining agreements. Collective bargaining agreements are negotiated on a site, regional, or national level and are of varying durations.

Intellectual Property

We actively review intellectual property arising from our operations and our R&D activities, and, when appropriate, we apply for patents in appropriate jurisdictions. We currently hold approximately 3,390 patents and patent applications on approximately 364 different items of intellectual property. While these patents and patent applications are important to our business on an aggregate basis, no single patent or patent application is deemed to be material to our business.

We have applied or received registrations for the "Novelis" word trademark and the Novelis logo trademark in approximately 44 countries where we have significant sales or operations. Novelis uses the Aditya Birla logo under license from Aditya Birla Management Corporation Private Limited.

We have also registered the word "Novelis" and several derivations thereof as domain names in numerous top-level domains around the world to protect our presence on the world wide web.

Environment, Health and Safety

As a purpose-driven company, Novelis strives to protect and preserve the environment and the health, safety, and well-being of our colleagues, customers, and communities. During fiscal 2023, we recycled over 82 billion used beverage cans, and recycled content made up 61% of total input in our aluminum rolled product. We define recycled content as total aluminum rolled product shipments minus primary metal (net of metal loss) plus coated scrap and runaround melt loss. The recycled content rate of 61% in fiscal 2023 is an increase from the 57% reported in fiscal 2022 due to higher scrap inputs and lower prime consumption. With our plant operations around the globe, we continue to focus on reducing carbon emissions, limiting water consumption, and lowering electricity usage while targeting year-over-year improvements in overall production. During fiscal 2023, 11 facilities achieved major safety milestones by operating 365 consecutive days without a recordable injury.

Our global operations are subject to environmental, health and safety laws and regulations from various jurisdictions, which govern, among other things, air emissions; wastewater discharges; the handling, storage, and disposal of hazardous substances and wastes; the remediation of contaminated sites and restoration of natural resources; carbon and other greenhouse gas emissions; and employee health and safety. Future environmental, health and safety regulations may impose stricter compliance requirements on the industries in which we operate. Additional equipment or process changes at some of our facilities, and related capital expenditures, which may be material, may be needed to meet existing or future requirements. The cost of meeting these requirements may be significant. Failure to comply with such laws and regulations could subject us to administrative, civil, or criminal penalties; obligations to pay damages or other costs; and injunctions and other orders, including orders to cease operations.

We are involved in proceedings under the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, also known as CERCLA or Superfund, or analogous state provisions regarding our liability arising from the usage, storage, treatment, or disposal of hazardous substances and wastes at a number of sites in the U.S., as well as similar proceedings under the laws and regulations of the other jurisdictions in which we have operations, including Brazil, certain countries in the European Union, and South Korea. Many of these jurisdictions have laws that impose joint and several liability, without regard to fault or the legality of the original conduct, for the costs of environmental, health and safety remediation, natural resource damages, third-party claims, and other expenses. In addition, we are, from time to time, subject to environmental, health and safety reviews and investigations by relevant governmental authorities.

We have established procedures for regularly evaluating environmental, health and safety loss contingencies, including those arising from environmental, health and safety reviews and investigations and any other environmental, health and safety remediation or compliance matters. Where appropriate, we have established liabilities based on our estimates for the currently anticipated costs that are deemed probable associated with these environmental, health and safety matters.

Our expenditures for environmental, health and safety protection (including estimated and probable environmental, health and safety remediation costs as well as general environmental, health and safety protection costs at our facilities) and the betterment of working conditions in our facilities were \$19 million during fiscal 2023, of which \$18 million was expensed and \$1 million was capitalized. We expect that these expenditures will be approximately \$21 million in fiscal 2024, of which we estimate \$15 million will be expensed and \$6 million will be capitalized.

We are subject to a broad range of foreign, federal, state, and local laws and regulations relating to occupational health and safety. We have incurred, and will continue to incur, expenditures to meet our health and safety compliance requirements, as well as to improve our safety systems.

Available Information

We are a voluntary filer and not subject to the reporting and information requirements of the Exchange Act. However, we file periodic reports and other information with the SEC. We make these filings available on our website free of charge at www.novelis.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains a website (www.sec.gov) that contains our annual, quarterly, and current reports and other information we file electronically with the SEC. Information on our website does not constitute part of this Form 10-K.

Item 1A. Risk Factors.

In addition to factors discussed elsewhere in this report, the following factors could materially affect our business, financial condition, or results of operations in the future. The following factors, among others, could cause our actual results to differ from those projected in any forward-looking statements we make.

Competitive and Strategic Risks

While we have long-standing strategic partnerships with global corporations and other customers, certain of our customers are significant to our revenues, and we could be adversely affected by disruptions or changes in the business or financial condition of these significant customers or by the loss of their business or reduction in their requirements.

Our 10 largest customers accounted for approximately 49%, 54%, and 55% of our total net sales for fiscal 2023, fiscal 2022, and fiscal 2021, respectively. A significant disruption in the business or downturn in the financial condition of our significant customers could adversely affect our results of operations and cash flows. Some of our customers are dependent upon the continued ability of their suppliers to deliver key components necessary for the manufacturing of their products, and a disruption of such supply chains could cause such customers to alter production schedules or suspend production entirely. For example, beginning in third quarter of fiscal 2023 the entire beverage supply chain, including can sheet suppliers, can makers, fillers and retailers, is normalizing back to lower levels of pre-pandemic consumer demand for packaged aluminum products. Such supply chain destocking is having an adverse near-term impact on the customer demand for beverage can sheet.

In addition, some of our customer contracts are subject to renewal and renegotiation at periodic intervals or upon changes in competitive supply conditions. Our failure to successfully renew or renegotiate such agreements could result in a reduction or loss in customer purchase volume or revenue. Additionally, consolidation among our customers may enable them to use increased leverage in negotiating prices and other contractual terms. Consolidation in our customer base may also lead to reduced demand for our products or cancellations of sales orders. Furthermore, certain of our customer contracts do not impose any minimum purchase volume conditions, and a customer could elect to purchase less of our products than they have historically, in the discretion of the customer.

We also factor trade receivables to manage working capital. Any deterioration of the financial condition or downgrade of the credit rating of certain of our customers may make it more difficult or costly for us to engage in these activities, which could negatively impact our cash flows and liquidity.

We face significant price and other forms of competition from other aluminum rolled products producers and potential new market entrants, which may adversely impact our competitive positions in our end-markets and our financial profile.

The markets in which we operate are highly competitive. We compete primarily on the basis of our value proposition, including price, product quality, ability to meet customers' specifications, range of products offered, global footprint, sustainability and recycling, technical support, and customer service. Some of our competitors may benefit from more efficient technologies, lower raw material and energy costs, and lower labor costs. Increases in competition resulting from new market entrants or increases in production capacity by our competitors could cause us to lose market share or a large customer or force us to reduce prices to remain competitive. In addition, because of extensive competition in all of our key markets, large customers may be able to exert influence to extract favorable future pricing terms. These risks could also be exacerbated by new market participants in the industry or a surplus supply of aluminum rolled products in the industry, which could result in additional competitive pricing pressures. Any such developments could adversely affect our business, financial condition, or results of operations.

While we have a diversified product portfolio across various end-markets, our end-markets are highly competitive and customers may be willing to accept substitutes for our products, including steel, plastics, composite materials, and glass, and such willingness could adversely affect the demand for certain of our products and our results of operations.

Aluminum competes with other materials, such as steel, plastics, composite materials, and glass for various applications, including packaging, automotive, aerospace, architectural, industrial, and consumer durables end-use markets. Our customers may choose materials other than aluminum to achieve desired attributes for their products. For example, customers in the automotive industry may increase their use of high-strength steel rather than aluminum for certain applications due to the price differential between steel and aluminum. The packaging industry continues to experience advances in alternative materials, such as plastics, glass, and organic or compostable materials, which could lead to higher margins for our customers than our products and which may compare favorably to aluminum with respect to preservation of food and beverage quality and recyclability. The willingness of customers to accept other materials in lieu of aluminum, as well as broader consumer movements towards multi-use forms of packing over single-use packaging, could adversely affect the demand for certain of our products, and thus adversely affect our business, financial condition, or results of operations.

We may not realize the anticipated benefits of strategic investments.

As part of our strategy for growth, we have in the past and may in the future pursue acquisitions, divestitures, joint ventures or other strategic investments. We recently completed a \$180 million investment in automotive finishing capacity in Changzhou, China, a \$150 million investment in recycling and casting capacity at our plant in Pindamonhangaba, Brazil, and a \$315 million greenfield automotive finishing expansion in Guthrie, Kentucky. We also have announced plans to further invest significantly in strategic capacity expansions across geographic locations. For example, announced projects now underway include an approximately \$2.5 billion greenfield rolling mill in Bay Minette, Alabama, a \$365 million recycling and casting capacity expansion in Guthrie, Kentucky, a \$50 million recycling and casting capacity expansion in Ulsan, South Korea, and a number of smaller rolling capacity debottlenecking investments. If our production levels and margins do not grow in line with our current expectations, or are adversely impacted by new competing strategic investments, we may not realize a return on such announced projects that is commensurate with our investment. Further, there are numerous risks commonly encountered in strategic transactions, including the risk that management's time and energy may be diverted, disrupting our existing businesses, and the risk that we may not be able to complete a project that has been announced, complete such project on time, incur higher or unforeseen costs, or generate the synergies and other benefits that we anticipated.

Operational Risks

Our business has been, and may in the future be, adversely affected by increases in the cost or volatility in the availability of primary aluminum, scrap aluminum, sheet ingot, or other raw materials used in the production of our products.

The supply risks relating to our metal inputs vary by input type. For example, we produce some of our sheet ingot requirements internally and source the remainder from multiple third parties in various jurisdictions, usually under contracts having a duration of at least one year. If our suppliers are unable to deliver sufficient quantities of aluminum and other raw materials to the necessary locations on a timely basis, including as a result of global supply chain issues, our production could be disrupted and our net sales, profitability and cash flows could be adversely affected.

As a result of macroeconomic headwinds, such as inflationary cost pressures, supply chain disruptions, the impact of public health crises and geopolitical conflicts, we have been adversely affected, and may continue to be adversely affected in the future, by changes in the cost of these or other raw materials as well as labor costs, energy costs and freight costs associated with transportation of raw materials. Prices of certain raw materials may fluctuate due to a number of factors, including general economic conditions, commodity price fluctuations (particularly aluminum on the London Metal Exchange), the demand by other industries for the same raw materials, the availability of complementary and substitute materials, inflationary pressures, supply shortages and disruptions caused by a public health crisis, geopolitical factors relating to Russia's ongoing military conflict with Ukraine. The availability and costs of certain raw materials necessary for the production of our products may also be influenced by private or governmental entities, and may be impacted by mergers and acquisitions, changes in world politics or regulatory requirements (such as human rights regulations or environmental, health and safety laws and regulations or production curtailments), regulations, labor relations between the producers and their work forces, labor shortages, unstable governments in exporting nations, export quotas, sanctions, new or increased import duties, countervailing or anti-dumping duties, infrastructure and transportation issues, market forces of supply and demand, and inflation. We may be unable to offset fully the effects of material shortages or higher costs through customer price increases, productivity improvements or cost reduction programs. In addition, the failures of financial institutions and any related liquidity crises, and any resultant impact on depositor's access to their cash deposits, including, for example, the recent events surrounding Silicon Valley Bank, First Republic Bank and Signature Bank, could negatively impact the ability of our customers to pay amounts owed to us on a timely basis or at all, cause reductions in the liquidity of our suppliers impacting raw material product availability, and cause fluctuations in the costs of raw materials, which could in turn have a material adverse effect on our business or financial condition.

We employ a number of strategies to manage raw material pricing volatility such as pass through contracts with customers and hedging of metal prices, but there is no assurance that these activities will be sufficient in fully mitigating raw material cost volatility. Our hedging procedures may be insufficient and our results could be materially impacted if costs of materials increase. Delayed timing in recovering the pass-through of increasing raw material costs may also impact our short-term profitability and certain costs due to price increases or supply chain inefficiencies may be unrecoverable, which would also impact our profitability.

Our operations are energy-intensive and our profitability and cash flows may decline if energy costs were to rise, or if our energy supplies were disrupted.

We consume substantial amounts of energy in our rolling and casting operations. The factors affecting our energy costs and supply reliability tend to be specific to each of our facilities. A number of factors could materially affect our energy position adversely including:

- increases in costs of natural gas;
- increases in costs of supplied electricity;
- increases in fuel oil related to transportation;
- prices affected by regional markets, governmental regulations, and taxes;
- interruptions in energy supply due to equipment failure or other causes; and
- the inability to extend energy supply contracts upon expiration on favorable terms.

If energy costs continue to rise, or if energy supplies or supply arrangements were disrupted, our profitability and cash flows could decline.

Downturns in the automotive and ground transportation industries or changes in consumer demand could adversely affect our business.

The demand for our automotive products and other industrial products is dependent on the production of internal combustion engine and electric cars, light trucks, SUVs and heavy duty vehicles and trailers. The automotive industry is highly cyclical, as new vehicle demand is dependent on consumer spending and is tied closely to the overall strength of the economy. Even with the automotive industry's growing use of aluminum to reduce vehicle weight, weak demand for, or lower production of, new cars, light trucks, SUVs and heavy duty vehicles and trailers could adversely affect the demand for our products and have an adverse effect on our financial position, results of operations and cash flows.

Our business and operations, and the operations of our suppliers and customers, may be adversely affected by public health crises, such as the recently experienced COVID-19 pandemic.

We face risks related to public health crises, including outbreaks of communicable diseases. The outbreak of such a communicable disease could result in a widespread health crisis that could adversely affect general commercial activity and the economies and financial markets of many countries. A public health crisis, including the recently experienced COVID-19 pandemic, poses the risk that we or our employees, contractors, suppliers, customers, or other business partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities, or that such crisis may otherwise interrupt or impair business activities.

Outbreaks of contagious diseases, public health epidemics or pandemics, or other adverse public health developments in countries in which our employees, contractors, customers, suppliers and other business partners operate could have a material and adverse effect on our business, results of operations, financial condition, liquidity and/or cash flows. The extent to which such an outbreak affects our operations over time is highly uncertain and beyond our control, and is dependent on a variety of factors, including the duration and severity of the initial outbreak or subsequent variants, the imposition of governmental quarantine or other public health measures, the availability of vaccines or other medical remedies and preventive measures, and determinations regarding, among other things, health and safety, demand for specific products, and broader economic conditions. Many of the actions that may be taken to mitigate the impact of an epidemic or pandemic, including declarations of states of emergency, governmental quarantines, shelter-in-place and stay-at-home orders, social distancing requirements, business closures and staged procedures for reopening, manufacturing restrictions and a prolonged period of travel, commercial and/or other similar restrictions and limitations, are highly likely to impact our business and the business of many of our customers and therefore are likely to magnify the risks of a material adverse impact on our business, results of operations, financial condition, liquidity, and/or cash flows, as well as on our business strategies and initiatives. In addition, the impact of any epidemic or pandemic, and the related restrictions, may differ in the areas in which our products are manufactured, distributed or sold, or may change on short notice in response to new variants or other circumstances and, accordingly, any such impact on our operations or the operations of our customers and suppliers is difficult to predict. Because we rely on supply chain continuity, restrictions in one location may materially impact operations in multiple locations, and the impact of an epidemic or pandemic in one location may have a disproportionate effect on our operations in the future.

The recovery from any public health crises, such as COVID-19, may also negatively impact our operations in the future. For instance, during the height of the COVID-19 pandemic, the beverage can sheet market experienced high demand resulting from increased at-home consumption of beverage products which use aluminum packaging. However, following the COVID-19 pandemic, demand has moderated as the beverage supply chain has reduced excess inventory which was built up to account for high demand during the COVID-19 pandemic. Fluctuations in demand and supply chain variability resulting from future public health crises, including the outbreak of new COVID-19 variants, may in the future impact our business, results of operations, and financial condition.

An epidemic or pandemic may also exacerbate other risks disclosed in this Annual Report on Form 10-K, including, but not limited to, risks related to global economic conditions and inflation, competition, loss of customers, costs of supplies, manufacturing difficulties and disruptions, our credit profile, our credit ratings and interest rates. In addition, a future epidemic or pandemic may also affect our operating and financial results in a manner that is not presently known to us, or present significant risks to our business, results of operations, financial condition, liquidity and/or cash flows that are different from the risks presented by prior epidemics or pandemics.

A majority of our facilities are staffed by a unionized workforce, and union disputes and other employee relations issues could materially adversely affect our financial results.

In each geographic region where we have operating facilities, a substantial portion of our employees are represented by labor unions under collective bargaining agreements with varying durations and expiration dates. From time to time, we experience strikes or work stoppages. We may not be successful in preventing such an event from occurring in the future at one or more of our manufacturing facilities. In addition, we may not be able to satisfactorily renegotiate our collective bargaining agreements when they expire. Any such stoppages or disturbances may adversely affect our financial condition and results of operations by limiting plant production, sales volumes, profitability, and operating costs.

Loss of our key management and other personnel, or an inability to attract and retain such management and other personnel, could adversely impact our business.

We employ all of our senior executive officers and other highly-skilled key employees on an at-will basis, and their employment can be terminated by us or them at any time, for any reason and without notice, subject, in certain cases, to severance payment obligations. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and if our highly skilled key employees leave us, we may be unable to promptly attract and retain qualified replacement personnel, which could result in our inability to improve manufacturing operations, conduct research activities successfully, develop marketable products and compete effectively for growth in key markets.

Competition for qualified employees may continue, and as a result, we may continue to experience increased employee turnover. The continuity of key personnel and preservation of institutional knowledge are important to our business. The loss of qualified employees, or an inability to attract, retain, and motivate employees representing diverse backgrounds, experiences and skillsets would materially adversely affect our business, results of operations, and financial condition and impair our ability to grow. We have increased, and expect to continue to increase, our employee compensation levels in response to competition, as necessary. In addition, the pressures of inflation have increased our costs of labor and may continue to do so.

We could be adversely affected by unplanned disruptions at operating facilities.

In the past, we have experienced production interruptions at our plants due to the breakdown of equipment, fires, weather events, public health crises, and other causes.

We may experience such disruptions in the future due to similar or unrelated uncontrollable events. Because many of our customers are, to varying degrees, dependent on planned deliveries from our plants, any customers that must reschedule their own production due to our missed deliveries could pursue claims against us and reduce their future business with us. In addition to facing claims from customers, we may incur costs to remedy any of these problems. Further, our reputation among actual and potential customers may be harmed, possibly resulting in loss of business. While we maintain insurance policies covering, among other things, physical damage, business interruptions and product liability, these policies may not cover all of our losses.

Our business has been and will continue to be exposed to various economic and political risks associated with our global operations.

Due to the global reach of our business, we are subject to financial, political, economic, and other business risks in connection with doing business abroad. Operating in diverse geographic regions exposes us to a number of risks and uncertainties, such as changes in international trade regulation, including duties and tariffs; political instability that may disrupt economic activity; economic and commercial instability; and geopolitical tensions, civil unrest, war, or terrorist activities.

We have experienced, and continue to experience, inflationary pressures on the prices of aluminum, materials, transportation, energy, and labor. In an inflationary environment, such as the current economic environment, our ability to implement customer pricing adjustments or surcharges to pass-through or offset the impacts of inflation may be limited. Continued inflationary pressures could reduce our profit margins and profitability. Russia's ongoing military conflict with Ukraine and other geopolitical conflicts, as well as any related international response, may exacerbate inflationary pressures, including causing increases in raw material prices as well as fuel and other energy costs, and may further cause reduced manufacturing and industrial demand. Other economic factors, including fluctuations in foreign currency exchange rates and interest rates, competitive factors in the countries in which we operate, and continued volatility or deterioration in the global economic and financial environment could affect our revenues, expenses and results of operations.

Our financial condition and results of operations depend significantly on worldwide economic conditions. Future adverse developments in the U.S. or global economy, including continued inflationary pressure, pose a risk because our customers may postpone purchases in response to demand reductions, negative financial news and tighter credit.

We are currently operating in a period of economic uncertainty, capital markets disruption, and supply chain interruptions, which have been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business may be materially adversely affected by any negative impact on the global economy, capital markets, or supply chain resulting from the conflict in the Ukraine or any other geopolitical tensions, or otherwise.

In February 2022, Russian troops began a military invasion of Ukraine. Global markets continue to experience volatility and disruption following the escalation of geopolitical tensions and the continuation of the military conflict between Russia and Ukraine. We have not experienced significant direct impacts from the Russia-Ukraine conflict, but we have experienced indirect impacts, as the conflict has driven up energy prices globally, beginning in the fourth quarter of fiscal 2022, and we expect these costs will remain elevated until energy prices stabilize. Although the length and impact of the ongoing military conflict is unpredictable, the conflict could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, shipping and trade route restrictions, inflationary pressures on raw materials, rising interest rates, and lack of availability of energy. In addition, the conflict in Ukraine has led to sanctions and other measures being levied by the United States, the European Union (the "EU"), and other countries against Russia. In February 2023, the United States government announced a new round of trade actions targeting goods and entities from Russia, including a 200% duty on aluminum articles of Russian origin.

Russian military actions and the resulting sanctions could adversely affect the global economy, national economies in which we operate and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds, as well as further disrupting the supply chain. One of our suppliers of metal is Rusal, a Russian aluminum company. Although we source metal from a diverse global portfolio of metal suppliers and are not dependent on Rusal for a significant portion of our metal supply, sanctions, tariffs, a ban or similar actions impacting Rusal or the supply of Russian aluminum could disrupt global aluminum supply. Any of the foregoing factors could have a material adverse effect on our business, prospects, financial condition, results of operations, and cash flows. The extent and duration of the military action, sanctions, and resulting market and/or supply disruptions are impossible to predict but could be substantial. Any such disruptions may also magnify the impact of other risks described herein.

Our Board of Directors oversees the management of risks related to the Russia-Ukraine conflict. Our Enterprise Risk Management team monitors developments and potential impacts of the conflict and reports them to the Audit Committee of our Board at least quarterly. Despite this monitoring process, there can be no assurance that the conflict will not have a material adverse effect on our business, including as it relates to the risks outlined above, as well as potential impacts on our relationship with Russian-based suppliers, potential impacts on the reliability of energy supplies to our European manufacturing sites, and potential supply chain disruptions related to the conflict.

We face risks relating to certain joint ventures, subsidiaries and assets that we do not entirely control.

Some of our activities are, and will in the future be, conducted through entities that we do not entirely control or wholly own. These entities include our joint ventures located in Neuss, Germany; Ulsan, Korea; Russellville, Kentucky; and Sierre, Switzerland. Under the governing documents of these businesses, we share decision making authority and operational control, which may result in conflicts over management over these businesses. In addition, because we do not have control over the business practices of our joint venture partners, we could be subject to reputational damage or other consequences of improper conduct by our joint venture partners or their inability to fulfill their obligations under the joint venture. As a result, our business, financial condition, cash flows, results of operations and prospects could be adversely affected.

Security breaches and other disruptions to our information technology networks and systems could interfere with our operations, and could compromise the confidentiality of our proprietary information.

We rely upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business and manufacturing processes and activities. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information, and personally identifiable information of our employees, in data centers and on information technology networks. These activities are subject to various laws and regulations in the United States and abroad regarding privacy and data security.

Information technology networks and systems (our own as well as those managed by third parties) are susceptible to damage, disruptions and shutdowns due to programming errors, defects, or other vulnerabilities, power outages, hardware failures, computer viruses, cyber-attacks, ransomware attacks, malware attacks, attacks by foreign governments and state-sponsored actors, theft, misconduct by employees or other insiders, telecommunications failures, misuse, human errors or other catastrophic events. The costs of attempting to protect against cybersecurity risks and events such as the foregoing are significant, and as cyber-attacks and similar events have become more frequent and sophisticated, these costs have increased and will likely increase further in the future. We have in the past and may in the future experience security breaches and other disruptions to our information technology networks and systems, so we have increased our management focus on and financial investments in systems and processes intended to secure our information technology systems, prevent unauthorized access to or loss of sensitive data, provide security and privacy awareness training, ensure business continuity and comply with applicable laws. These efforts include engaging third-party providers from time to time to test the vulnerability of our systems and recommend solutions to upgrade the security of our systems. We also employ a number of measures to protect and defend against cyber attacks, including technical security controls, data encryption, firewalls, intrusion prevention systems, anti-malware software and frequent backups. New data security laws and regulations are being implemented rapidly and are evolving, and we may not be able to timely comply with such requirements, and such requirements may not be compatible with our current processes. Changing our processes could be time consuming and expensive, and failure to timely implement required changes could subject us to liability for non-compliance.

Cyber attacks continue to evolve in sophistication and volume and may remain undetected for an extended period. These may include damage and disruptions caused by cyber attacks, breaches, or insider threats who may have access to our networks and systems. Hardware, software or applications we utilize may contain defects in design or manufacture or other problems that could unexpectedly compromise information security, potentially resulting in the unauthorized disclosure and misappropriation of sensitive data, including intellectual property, proprietary business information, and personal data. In addition, techniques used to obtain unauthorized access to information or to sabotage information technology systems change frequently, including as a result the intensification of state-sponsored cybersecurity attacks during periods of geopolitical conflict, such as the ongoing conflict in Ukraine. We have seen, and will continue to see, industry-wide vulnerabilities, which could in the future affect our or other parties' systems. We expect to continue to experience such zero-day vulnerabilities in the future. Despite our best efforts, we cannot fully anticipate, detect, repel or implement fully effective preventative measures against all cybersecurity threats, especially in light of increasingly sophisticated techniques used in cybersecurity attacks, as discussed above. Although to date, we are unaware of any material data breach or system disruption, including a cyber-attack, we cannot provide any assurances that such events will not occur and impacts therefrom will not be material in future.

The occurrence of a significant cybersecurity event, including an event impacting one of our third-party providers, could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability, or regulatory penalties under privacy laws. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Operational disruptions or any perceived or actual unauthorized access to, or disclosure of, sensitive information could reduce the competitive advantage in new or proprietary business initiatives and damage our reputation and our relationship with our customers. Although we are insured against cyber risks and security breaches up to an annual aggregate limit, our liability insurance may be inadequate and may not fully cover the costs of any claim or damages that we might be required to pay. In the future, we may not be able to obtain adequate liability insurance on commercially desirable or reasonable terms or at all. Any of the foregoing could have a material adverse effect on our business, financial condition, or results of operations.

Increased freight costs on imported products could decrease earnings and liquidity.

We have experienced, and may in the future continue to experience, increases in freight costs and shortages in capacity. We continue to monitor freight costs and capacity because they can negatively impact our ability to ship volume predictably and on a low-cost basis. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, we may not be able to receive products from suppliers or deliver products to customers in a timely and cost-effective manner. There can be no assurance that we will be successful in increasing prices or recouping increased freight surcharges in the future. Continued freight cost increases; delivery disruptions, including compliance with the Export Administration Regulations and other trade laws; and the sanctions, regulations, and embargoes administered by the U.S. Department of Treasury's Office of Foreign Assets Control, could adversely affect our business, financial condition, or results of operations.

Financial Risks

Our results and short-term liquidity can be negatively impacted by timing differences between the prices we pay under purchase contracts and metal prices we charge our customers.

Our purchase and sales contracts for primary aluminum are based on the LME price plus a regional market premium, which is a surcharge in addition to the LME price. There are typically timing differences between the pricing periods for purchases and sales. This creates a price exposure we call "metal price lag," which exists due to: (i) the period of time between the pricing of our purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to our customers and (ii) certain customer contracts containing fixed forward price commitments, which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs. We use derivative instruments to manage the metal price lag risk associated with the LME base aluminum prices. We generally do not hedge more than a small fraction of our regional market premium exposure because we do not believe the derivatives markets are sufficiently robust and efficient to meet our needs. As such, volatility in regional market premiums can have a significant impact on our results of operations and cash flows. The timing difference associated with metal price lag could positively or negatively impact our operating results and short-term liquidity.

A deterioration of our financial condition, a downgrade of our ratings by a credit rating agency or other factors could limit our ability to enter into, or increase our costs of, financing and hedging transactions, and our business relationships and financial condition could be adversely affected.

A deterioration of our financial condition or a downgrade of our credit ratings for any reason could increase our borrowing costs, limit our access to the capital or credit markets, adversely affect our ability to obtain new financing on favorable terms or at all, result in more restrictive covenants, and have an adverse effect on our business relationships with customers, suppliers and financial counterparties. We enter into various forms of hedging activities against currency, interest rate, energy and metal price fluctuations. Our financial strength and credit ratings are important to the availability and terms of these hedging activities. As a result, any deterioration of our financial condition or downgrade of our credit ratings may make it more difficult or costly for us to engage in these activities in the future.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase.

Borrowings under our senior secured credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates continue to increase, our debt service obligations on any variable rate indebtedness could increase even though the amount borrowed remained the same, which could adversely impact our results of operations. In order to manage our exposure to interest rate risk, in the future, we may enter into derivative financial instruments, typically interest rate swaps and caps, involving the exchange of floating for fixed rate interest payments. If we are unable to enter into interest rate swaps, it may adversely impact our results of operations, and, even if we use these instruments to selectively manage risks, there can be no assurance that we will be fully protected against material interest rate fluctuations.

Adverse changes in currency exchange rates could negatively affect our financial results or cash flows and the competitiveness of our aluminum rolled products relative to other materials.

We are exposed to the effects of changes in the exchange rates of the U.S. dollar, the Euro, the British pound, the Brazilian real, the Korean won, the Swiss franc and other currencies. We have implemented a hedging policy to manage currency exchange rate risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost; however, this hedging policy may not successfully or completely eliminate the effects of currency exchange rate fluctuations, which could have a material adverse effect on our financial results and cash flows.

We prepare our consolidated financial statements in U.S. dollars, but a portion of our earnings and expenditures are denominated in other currencies, primarily the euro, the Korean won, and the Brazilian real. Changes in exchange rates may result in increases or decreases in our operating results and may also affect the book value of our assets located outside the U.S.

Our results of operations, cash flows and liquidity could be adversely affected if we were unable to transact in derivative instruments, if our exposure to price fluctuations were not adequately hedged under derivative instruments, or if counterparties to our derivative instruments fail to honor their agreements.

We use various derivative instruments to manage the risks arising from fluctuations in aluminum prices, exchange rates, energy prices and interest rates. If for any reason we were unable to transact in derivative instruments to manage these risks, or if our exposure to fluctuations in such prices and rates were not fully or adequately hedged under such derivative instruments, our results of operations, cash flows, and liquidity could be adversely affected. In addition, we may be exposed to losses in the future if the counterparties to our derivative instruments fail to honor their agreements. In particular, deterioration in the financial condition of our counterparties and any resulting failure to pay amounts perform obligations owed to us could have a negative effect on our business and financial condition. Further, if major financial institutions consolidate and are forced to operate under more restrictive capital constraints and regulations, there could be less liquidity, or higher costs to transact, in the derivative markets, which could have a negative effect on our costs or our ability to hedge and transact with creditworthy counterparties.

An adverse decline in the liability discount rate, lower-than-expected investment return on pension assets and other factors could affect our results of operations or amount of pension funding contributions in future periods.

Most of our pension obligations relate to funded defined benefit pension plans for our employees in the U.S., the U.K., Switzerland, and Canada, funded and unfunded pension benefits in Germany and lump sum indemnities payable to our employees in France, Italy, and South Korea upon retirement or termination. Our pension plan assets primarily consist of funds invested in stocks and bonds. Our estimates of liabilities and expenses for pensions and other postretirement benefits incorporate a number of assumptions. The most significant year-end assumptions used by Novelis to estimate pension or other postretirement benefit income or expense for the following year are the discount rate applied to plan liabilities and the expected long-term rate of return on plan assets. Our results of operations, liquidity, or shareholder's (deficit) equity in a particular period could be adversely affected by capital market returns that are less than their assumed long-term rate of return or a decline of the rate used to discount future benefits. These factors or others may require us to make unexpected cash contributions to the pension plans in the future, preventing the use of such cash for other purposes.

Our goodwill, other intangible assets and other long-lived assets could become impaired, which could require us to take non-cash charges against earnings.

We assess, at least annually and potentially more frequently, whether the value of our goodwill has been impaired. We assess the recoverability of finite-lived other intangible assets and other long-lived assets whenever events or changes in circumstances indicate we may not be able to recover the asset's carrying amount. Any impairment of goodwill, other intangible assets, or long-lived assets as a result of such analysis would result in a non-cash charge against earnings, which could materially adversely affect our reported results of operations. A significant and sustained decline in our future cash flows, a significant adverse change in the economic environment, or slower growth rates could result in the need to perform additional impairment analysis in future periods.

Additional tax expense, tax liabilities or tax compliance costs could adversely impact our profitability.

We are subject to income taxation in many jurisdictions. Judgment is required in determining our worldwide income tax provision and accordingly there are many transactions and computations for which our final income tax determination is uncertain. We are routinely audited by income tax authorities in many tax jurisdictions. Although we believe the recorded tax estimates are reasonable, the ultimate outcome from any audit (or related litigation) could be materially different from amounts reflected in our income tax provisions and accruals. Future settlements of income tax audits may have a material effect on earnings between the period of initial recognition of tax estimates in the financial statements and the point of ultimate tax audit settlement. Additionally, it is possible that future income tax legislation in any jurisdiction to which we are subject may be enacted that could have a material impact on our worldwide income tax provision beginning with the period that such legislation becomes effective. Currently, there are several tax proposals, including in the U.S. and the Organization for Economic Co-operation and Development (OECD), that could, if enacted into law, significantly impact the tax position of the Company. We will continue to evaluate the overall impact of current, future, and proposed regulations and interpretive guidance from tax authorities on our effective tax rate and consolidated balance sheets.

The covenants in our credit facilities and the indentures governing our Senior Notes impose operating and financial restrictions on us.

Our credit facilities and the indentures governing our Senior Notes impose certain operating and financial restrictions on us. These restrictions limit our ability and the ability of our restricted subsidiaries, among other things, to:

- incur additional debt and provide additional guarantees;
- pay dividends and make other restricted payments, including certain investments;
- create or permit certain liens;
- make certain asset sales;
- use the proceeds from the sales of assets and subsidiary stock;
- create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us;
- engage in certain transactions with affiliates;
- make certain acquisitions;
- enter into sale and leaseback transactions; and
- consolidate, merge, or transfer all or substantially all of our assets or the assets of our restricted subsidiaries.

See [Note 13 – Debt](#) for additional discussion.

Risks Related to Intellectual Property.

If we are unable to protect our intellectual property, the confidentiality of our know-how, trade secrets, technology, and other proprietary information, our business and competitive position could be harmed.

We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as confidentiality agreements, license agreements and other contractual provisions, to establish, maintain, protect and enforce our intellectual property and other proprietary rights. Such means may afford only limited protection of our intellectual property and may not prevent our competitors from duplicating our processes or technology, prevent our competitors from gaining access to our proprietary information and technology, or permit us to gain or maintain a competitive advantage. Any of our direct or indirect intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions, we may be unable to protect our proprietary technology adequately against unauthorized third-party copying, infringement or use, which could adversely affect our competitive position. To prevent substantial unauthorized use of our intellectual property and proprietary rights, it may be necessary to prosecute actions for infringement, misappropriation or other violation of our intellectual property and proprietary rights against third parties. Litigation, whether we are a plaintiff or a defendant, can be expensive and time consuming and may divert the efforts of our management and other personnel, which could harm our business, whether or not such litigation results in a determination favorable to us. Litigation also puts our patents or other intellectual property at risk of being invalidated or interpreted narrowly and puts our patent applications or applications for other intellectual property registrations at risk of not issuing. If we are sued by a third party that claims that our technology infringes, misappropriates or violates their rights, the litigation, whether or not successful, could be costly to defend, divert our management's time, attention and resources, damage our reputation and brand and substantially harm our business. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations.

We rely on nondisclosure agreements to protect our unpatented know-how, trade secrets, technology and other proprietary information. We seek to protect this information, in part, by entering into nondisclosure and confidentiality agreements with parties who have access to it, such as our employees, consultants, and other third parties. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, or disclosure of our proprietary information. Further, these agreements may not prevent our competitors from independently developing substantially equivalent or superior proprietary information. These agreements may be breached, and we may not have adequate remedies for any such breach. Additionally, such agreements may not effectively prevent unauthorized access to or unauthorized use, disclosure, misappropriation or reverse engineering of, our confidential information, intellectual property, or technology. Enforcing a claim that a party illegally disclosed or misappropriated know-how is difficult, expensive, and time-consuming, and the outcome is unpredictable. Know-how, technology, and other proprietary information can be difficult to protect and some courts inside and outside the U.S. are less willing or unwilling to protect such information. If we develop any trade secrets that were to be lawfully obtained or independently developed by a competitor or other third-party, we would have no right to prevent them from using that technology or information to compete with us, and our competitive position would be materially and adversely harmed. The loss of trade secret protection could make it easier for third parties to compete with our products. Any of the foregoing could have a material adverse effect on our business, financial condition, or results of operations.

Other Legal and Regulatory Risks

Our global operations are subject to increasingly complex and stringent laws and government regulations that may adversely affect our business and operations.

We operate in complex regulated environments in the U.S. and in the other countries in which we operate and could be adversely affected by changes to existing legal requirements, including related interpretations and enforcement practices, new legal requirements, and/or any failure to comply with applicable regulations.

Compliance with U.S. and foreign laws and regulations, such as those requiring supply chain transparency, import and export requirements, embargoes and trade sanctions laws, anti-corruption laws, tax laws, foreign exchange controls, and cash repatriation restrictions, increases our costs of doing business outside the U.S. We are also subject to data privacy and protection laws regulating the collection, use, retention, disclosure, transfer, and processing of personal information, such as the EU's General Data Protection Regulation ("GDPR"). The potential effects of these laws are far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses to comply. In recent years, a number of new laws and regulations have been adopted, there has been expanded enforcement of certain existing laws and regulations, and the interpretation of certain laws and regulations have become increasingly complex.

In addition, the global scale of our operations exposes us to risks relating to international trade policies, including import quotas, tariffs, and taxes on goods imported from countries where we procure or manufacture products or raw materials, as well as retaliatory policies by governments against such policies. In addition, determinations by destination countries about unfairly priced and subsidized products can normalize prices, benefiting the company in some instances, while potentially disrupting supply chains. The impact and duration of such tariffs and other trade restrictions, as well as the potential for additional tariffs by the U.S., China, or other countries, remain uncertain. Our ability to implement strategies to mitigate the impact of such restrictions and our exposure to the risks described above as well as the impact of changes in regulations and policies could impact the competitiveness of our products and negatively impact our business, results of operations, and financial condition.

The impact of new laws, regulations, and policies or decisions or interpretations by authorities applying those laws and regulations, cannot be predicted. Compliance with any new laws, regulations, or policies may increase our operating costs or require significant capital expenditures. Any failure to comply with applicable laws, regulations, or policies in the U.S. or in any of the other countries in which we operate could result in substantial fines or possible revocation of our authority to conduct our operations, which could adversely affect us.

We may be affected by global climate change or by legal, regulatory, or market responses to such change.

Climate change, and evolving customer and stakeholder expectations, legal, regulatory and policy requirements, and market dynamics driven by climate change, could adversely affect our business, financial condition or results of operations. Increased concern over climate change has led to new and proposed legislative and regulatory initiatives, such as cap-and-trade systems, limits on emissions of greenhouse gases, and Corporate Average Fuel Economy standards in the United States, as well as similar standards or requirements in the EU or in other jurisdictions. New or revised laws and regulations in this area could directly and indirectly affect us and our customers and suppliers, including by increasing the costs of production or impacting demand for certain products, which could result in an adverse effect on our financial condition, results of operations, and cash flows. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our customers or suppliers, including increased monitoring and reporting costs. Also, we rely on natural gas, electricity, fuel oil, and transport fuel to operate our facilities. Any increased costs of these energy sources because of new laws or regulations could be passed along to us and our customers and suppliers, which could also have a negative impact on our profitability. Any increased frequency and intensity of extreme weather events resulting from climate change impacting our facilities, our suppliers or critical infrastructure in the United States and abroad could disrupt our supply chain or impact our ability to timely produce and deliver our products.

There are inherent climate-related risks in various regions where we conduct business. Global climate change is resulting, and is expected to continue to result, in natural disasters and adverse weather conditions, such as drought, wildfires, storms, tornados, hurricanes, blizzards, changes in sea-levels, flooding, and extreme temperatures, occurring more frequently or with greater intensity and unpredictability. Such conditions could result in disruptions to any facility or surrounding community directly impacted by a climate-related event, including physical damage resulting in shutdowns and requiring repair and/or our employees' unavailability to work, and could also adversely impact our suppliers, customers, and shipping and transportation networks. These disruptions could make it more difficult and costly for us to produce and deliver our products, obtain raw materials or other supplies, maintain our critical corporate functions, and could reduce customer demand for our products.

In addition, governments, customers and other stakeholders are increasingly focused on corporate environmental, social and governance ("ESG") practices and disclosures, may evaluate our business or other practices according to a variety of ESG targets, standards, and expectations. We define our own corporate purpose, in part, by the sustainability of our practices and our impact on all of our stakeholders. As a result, our efforts to conduct our business in accordance with some or all these expectations may result in increased demands regarding, among other matters, the source of aluminum, alloying metals and other materials used in our products, demand for increased use of recycled materials in our products, the manner in which power we consume is generated, our use and treatment of water and other natural resources, and the packing materials and shipping methods we use to deliver our products. In order to respond to these demands, we may need to make changes to our facilities, operations or production methods, or increase research and development efforts, any of which could result in significant additional costs. Our policies and processes to evaluate and manage ESG targets and standards in coordination with other business priorities, including our use of carbon offsets, may not prove completely effective. In addition, although we have established public targets with respect to our carbon footprint, energy and water usage and waste generation, we may be unable to meet them or be required to revise them for a variety of reasons, including due to cost increase, (including the cost of carbon offsets), the availability of valuable scrap (which could be downgraded or lost to competitors as demand increases), the availability of cleaner energy sources, sufficient supply of 'low carbon' primary aluminum, or our ability to innovate recycle-friendly alloys. As a result, we may face adverse regulatory, investor, media, or public scrutiny that may adversely affect our business, results of operations, or financial condition. Furthermore, with regard to public targets we have disclosed relating to certain ESG initiatives (including as disclosed within our 2022 Sustainability Report), the criteria by which our ESG practices, including these initiatives and public targets, are assessed may change due to the evolution of the sustainability landscape, which could result in greater expectations of us and may cause us to undertake costly initiatives to satisfy new criteria. Our selection of disclosure standards and ESG targets, and the interpretation or application of those standards and targets, may also change from time to time, or differ from those of others. Methodologies for reporting ESG data, including for Scope 1, 2 and 3 greenhouse gas emissions, may be updated and previously reported ESG data may be adjusted to reflect developments in the availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations and other changes in circumstances. If we are unable to respond effectively to these changes to the sustainability landscape, governments, customers and other stakeholders may conclude that our policies and/or actions with respect to ESG matters are inadequate. If we fail or are perceived to have failed to achieve previously announced public targets or to accurately disclose our progress on such targets or initiatives, our reputation, business, financial condition and results of operations could be adversely impacted.

We are subject to a broad range of environmental, health and safety laws and regulations, and we may be exposed to substantial environmental, health and safety costs and liabilities.

We are subject to a broad range of environmental, health and safety laws and regulations in the jurisdictions in which we operate. These laws and regulations impose stringent environmental, health and safety protection standards and permitting requirements regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, the remediation of environmental contamination, post-mining reclamation and working conditions for our employees. The costs of complying with these laws and regulations, including participation in assessments and remediation of contaminated sites and installation of pollution control facilities, have been, and in the future could be, significant, and may prove to be more costly than we anticipate. These laws and regulations may also result in substantial environmental liabilities associated with current sites, divested assets, third-party locations, and past activities. Under certain of these laws and regulations, we could incur liability for contamination at our current or former sites (or those of our predecessors) or at sites to which we or our predecessor sent waste for disposal even if the contamination resulted from conduct that was legal at the time or of third parties. The impact that our operations may have on the environment, as well as exposures to hazardous substances or wastes associated with our past and/or current operations, could result in civil or criminal fines or penalties and enforcement actions issued by regulatory or judicial authorities enjoining, curtailing or closing operations or requiring corrective measures, any of which could materially and adversely affect us. Evolving regulatory standards and expectations can result in increased litigation and/or increased costs, including increased remediation costs, all of which can have a material and adverse effect on our financial condition, results of operations and cash flows.

Failure to comply with current or future federal, state and foreign laws and regulations and industry standards relating to privacy, data protection, advertising and consumer protection could adversely affect our business, financial condition, or results of operations.

We are subject to various privacy, information security, and data protection laws, rules, and regulations that present an ever-evolving regulatory landscape across multiple jurisdictions and industry sections. Federal, state, and foreign legislators and regulators are increasingly adopting our revising privacy, information security, and data protection laws, rules, and regulations that potentially could have a significant impact on our current and planned privacy, data protection, and information security-related practices our collection, use, storing, sharing, retention and safeguarding and otherwise processing of certain types of consumer or employee information and some of our current or planned business activities, which could further increase our costs of compliance and business operations and could reduce income from certain business initiatives.

Compliance with current or future privacy, information security, and data protection laws, rules, and regulations (including those regarding security breach notification) could result in higher compliance and technology costs. Additionally, regulators may attempt to assert authority over our business in the area of privacy, information security, and data protection. If our vendors also become subject to new and additional laws, rules, and regulations in the more stringent and expansive jurisdictions, this could result in increasing costs to our business. We cannot predict the effect compliance with any such laws or regulations may have on our operating environment.

Many jurisdictions have established their own data security and privacy legal frameworks, including data localization and storage requirements, with which we may need to comply. For example, the EU and many countries in Europe have stringent privacy laws and regulations, which may affect our ability to operate cost effectively in certain European countries. In particular, the EU has adopted the GDPR which went into effect on May 25, 2018, and contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Specifically, the GDPR introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects (e.g., the "right to be forgotten"), increased data portability for EU consumers, data breach notification requirements, and increased fines. In particular, under GDPR, fines of up to 20 million Euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain of the GDPR's requirements.

Because the interpretation and application of many privacy and data protection laws, rules and regulations along with contractually imposed industry standards are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices. If so, in addition to the possibility of substantial fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices, which could have an adverse effect on our business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, rules, regulations and policies, could result in additional cost and liability to us, damage to our reputation, inhibit growth, and otherwise adversely affect our business. If we are not able to adjust to changing laws, rules and information security, our business may be harmed.

We may be exposed to significant legal proceedings or investigations.

From time to time, we are involved in, or the subject of, disputes, proceedings and investigations with respect to a variety of matters, including intellectual property, environmental, health and safety, product liability, employee, tax, personal injury, contractual and other matters, as well as other disputes and proceedings that arise in the ordinary course of business.

Any claims against us or any investigations involving us, whether meritorious or not, could be costly to defend or comply with and could divert management's attention as well as operational resources. Any such dispute, litigation or investigation, whether currently pending or threatened in the future, may have a material adverse effect on our financial results and cash flows. We generally maintain insurance against many product liability risks, but there can be no assurance that this coverage will be adequate for any liabilities ultimately incurred. In addition, there is no assurance that insurance will continue to be available on terms acceptable to us.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our global headquarters are located in Atlanta, Georgia. Our global research and technology center, located in Kennesaw, Georgia, contains state-of-the-art R&D capabilities to help us better partner and innovate with our customers. We have a network of Customer Solutions Centers across all four operating regions, allowing us to innovate alongside our customers. We also have a global casting engineering and technology center in Spokane, Washington, specializing in molten metal processing, in addition to several facilities with R&D operations worldwide, including facilities with specified research in automotive and aerospace technologies. Our regional headquarters are located in Atlanta, Georgia (North America), Küssnacht, Switzerland (Europe), Seoul, South Korea (Asia), and São Paulo, Brazil (South America).

The number of operating facilities by operating segment as of March 31, 2023 is shown in the table below and includes operating facilities we jointly own and operate with third parties.

	Operating Facilities	Facilities with Recycling Operations
North America	17	7
Europe	10	5
Asia	4	2
South America	2	1
Total	33	15

The following tables provide information, by operating segment, about the plant locations, processes and major end-use markets or applications for the aluminum rolled products, recycling, and primary metal facilities we owned and operated, including joint ventures, as of March 31, 2023.

North America

Locations	Plant Processes	Major Products
Ashville, Ohio	Coating and finishing	Coated coil for specialties
Berea, Kentucky	Recycling and sheet ingot casting	Sheet ingot from recycled metal for can body and can end stock
Buckhannon, West Virginia	Cold rolling and finishing	Mill finish coil and light-gauge sheet for specialties
Clayton, New Jersey	Cold rolling and finishing	Foil and light-gauge coiled sheet for specialties
Davenport, Iowa ⁽¹⁾	Casting, hot rolling, and recycling	Hot rolled coil from recycled material
Davenport, Iowa ⁽¹⁾	Cold rolling and finishing	Painted coil and mill finish coil
Fairmont, West Virginia	Cold rolling and finishing	Aluminum sheet and light-gauge foil for specialties
Greensboro, Georgia	Recycling and sheet ingot casting	Sheet ingot from recycled metal for can body and can end stock
Guthrie, Kentucky	Pre-treatment and heat treatment	Automotive sheet
Kingston, Ontario	Cold rolling and finishing	Automotive sheet and specialty material
Lincolnshire, Illinois	Cold rolling and finishing	Mill finish coil
Oswego, New York	Sheet ingot casting, hot rolling, cold rolling, recycling, and finishing	Can stock, automotive sheet, construction sheet, industrial sheet, and painted sheet
Richmond, Virginia ⁽²⁾	Pellet casting, hot rolling, cold rolling, finishing, and recycling	Mill finish sheet for building and construction
Russellville, Kentucky ⁽³⁾	Sheet ingot casting, hot rolling, cold rolling, finishing, and recycling	Can stock and aluminum sheet and coil for specialties
Terre Haute, Indiana	Cold rolling and finishing	Foil stock for specialties
Uhrichsville, Ohio	Casting, hot rolling, cold rolling, finishing, and recycling	Transportation sheet and aluminum sheet for specialties
Warren, Ohio	Coating and finishing	Coated can sheet

(1) The Company operates two separate facilities in Davenport, Iowa, one finishing mill and one casting facility.

(2) In March 2023, we announced the shutdown of casting and hot rolling assets at our Richmond plant. Following the shutdown in fiscal 2024, the remaining processes will consist of cold rolling and finishing.

(3) Logan, located in Russellville, Kentucky, is operated as a joint venture between Novelis and Tri-Arrows. We own 40% of the outstanding common shares of Logan. See [Note 9 – Consolidation](#) for further information about this affiliate.

Europe

Locations	Plant Processes	Major Products
Bresso, Italy	Coating, embossing, and finishing	Painted sheet, painted construction sheet, and automotive sheet
Göttingen, Germany	Finishing and coating	Can end stock, food can, and painted sheet
Koblenz, Germany	Sheet ingot casting, hot rolling, cold rolling, and finishing	Sheet ingot for aerospace, aerospace sheet, commercial plate, and heat exchangers
Latchford, United Kingdom	Recycling and sheet ingot casting	Sheet ingot from recycled metal
Nachterstedt, Germany	Cold rolling, finishing, coating, recycling, sheet ingot casting, and heat treatment	Automotive sheet, can end stock, industrial sheet, painted sheet, construction sheet, and sheet ingot from recycled metal
Neuss, Germany ⁽¹⁾	Recycling, sheet ingot casting, hot rolling, cold rolling, and finishing	Can body stock, foil stock, and feeder stock for finishing operations
Ohle, Germany	Cold rolling, finishing, and converting	Foil, packaging, and flexible tubes
Pieve, Italy	Continuous casting, cold rolling, finishing, and recycling	Coil for finishing operations, industrial sheet, foil stock, and closure stock
Sierre, Switzerland ⁽²⁾	Sheet ingot casting, hot rolling, cold rolling, finishing, and continuous heat treatment	Automotive sheet and industrial sheet
Voerde, Germany	Casting and recycling	Sheet ingot for automotive and specialties

(1) Alunorf is operated as a 50/50 production joint venture between Novelis and Speira GmbH. See [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for further information about this affiliate.

(2) Novelis operates a wholly owned facility in Sierre, Switzerland. In addition to this facility, Alunfra is operated as a 50/50 joint venture between Novelis and Constellium SE and provides utility services to each partner. See [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for further information about this affiliate.

Asia

Locations	Plant Processes	Major Products
Changzhou, China	Heat treatment and finishing	Automotive sheet
Ulsan, South Korea ⁽¹⁾	Sheet ingot casting, hot rolling, cold rolling, recycling, and finishing	Can stock, construction sheet, industrial sheet, electronics, automotive sheet for finishing operations, foil stock, and recycled material
Yeongju, South Korea	Sheet ingot casting, hot rolling, cold rolling, recycling, and finishing	Can stock, construction sheet, industrial sheet, electronics, foil stock, and recycled material
Zhenjiang, China	Sheet ingot casting, hot rolling, and heat treatment	Aerospace sheet, commercial plate, and industrial sheet

(1) UAL is operated as a 50/50 joint venture between Novelis and Kobe. See [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for further information about this affiliate.

South America

Locations	Plant Processes	Major Products
Pindamonhangaba, Brazil	Sheet ingot casting, hot rolling, cold rolling, recycling, finishing, and coating	Can stock, construction sheet, industrial sheet, foil stock, sheet ingot, and transportation sheet
Santo Andre, Brazil	Foil rolling and finishing	Light-gauge foil for specialties

Item 3. Legal Proceedings.

We are a party to legal proceedings incidental to our business from time to time. For additional information regarding litigation to which we are a party, see [Note 22 – Commitments and Contingencies](#) to our accompanying consolidated financial statements, which are incorporated by reference into this item.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.

There is no established public trading market for the Company's common stock. All of the outstanding shares of Novelis are owned directly by AV Minerals (Netherlands) N.V. and indirectly by Hindalco. None of the equity securities of the Company are authorized for issuance under any equity compensation plan.

Dividends or returns of capital to our common shareholder are made in accordance with our capital allocation policy at the discretion of the Board of Directors. Such payments will depend on, among other things, our financial resources, cash flows generated by our business, our cash requirements, restrictions under the instruments governing our indebtedness, and other relevant factors.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW AND REFERENCES

Novelis is driven by its purpose of shaping a sustainable world together. We are a global leader in the production of innovative aluminum products and solutions and the world's largest recycler of aluminum. Our ambition is to be the leading provider of low-carbon, sustainable aluminum solutions and to achieve a fully circular economy by partnering with our suppliers, as well as our customers in the aerospace, automotive, beverage packaging, and specialties industries throughout North America, Europe, Asia, and South America. Novelis is a subsidiary of Hindalco, an industry leader in aluminum and copper and the metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai. As of March 31, 2023, we had manufacturing operations in nine countries on four continents: North America, South America, Europe, and Asia, with 33 operating facilities, which include any combination of hot or cold rolling, finishing, casting, or recycling capabilities. We have recycling operations in 15 of our operating facilities to recycle post-consumer aluminum, such as UBCs, and post-industrial aluminum, such as class scrap.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Form 10-K, particularly in [Special Note Regarding Forward-Looking Statements and Market Data](#) and [Part I, Item 1A, Risk Factors](#).

Discussion and analysis of fiscal 2021 and year-over-year comparisons between fiscal 2022 and fiscal 2021 not included in this Form 10-K can be found in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the fiscal year ended March 31, 2022, filed with the SEC on May 11, 2022. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes and other financial information included elsewhere in this Form 10-K.

BUSINESS AND INDUSTRY CLIMATE

A little over a decade ago, we launched a strategy to transform and improve the profitability of our business through disciplined phases of significant capital investment in new capacity and capabilities. These investments enabled us to increase the amount of recycled content in our products, capitalize on favorable long-term market trends driving increased consumer demand for lightweight, sustainable aluminum products, and diversify and optimize our product portfolio. As a global leader in the aluminum flat-rolled products industry, we leveraged our new capacity, global footprint, scale, and solid customer relationships to drive volumes and capture favorable supply and demand market dynamics across all our end-use markets. With volume growth combined with improved pricing, a significant increase in scrap inputs, operational efficiencies, acquisition cost synergies, and high-capacity utilization rates, we significantly improved the profitability of our beverage packaging and specialties products and maintained high margins for automotive and aerospace products since launching this strategy.

However, inflationary cost pressures that began in fiscal 2022 resulting from, among other factors, global supply chain disruptions and geopolitical instability impacting the availability and price of materials and services including freight, energy, coatings, and alloys, such as magnesium, have intensified in fiscal 2023 and are expected to continue for the foreseeable future. Beginning in the fourth quarter of fiscal 2022, we have been impacted by higher energy prices globally, and especially in Europe, where the Russia-Ukraine conflict's negative impact on energy prices and raw materials has also caused reduced manufacturing and industrial demand. We expect such elevated costs and reduced demand until energy prices and economic conditions stabilize. Other costs, such as labor and borrowing costs, have been impacted by inflation and higher interest rates. While we believe we are positioned to maintain production levels necessary to service our customers, we cannot predict supply chain disruptions or their potential future financial impacts. Despite our results being negatively impacted by higher costs, we have been able to partially mitigate a portion of the higher inflationary cost impact through a combination of hedging, passing through a portion of higher costs to customers, favorable pricing environments, and utilizing recycled materials. We have also implemented cost control measures across our global operations, including a focus on employment, professional services, and travel costs. There is no assurance that we will continue to be able to mitigate these higher costs in the future.

Our management administers an Enterprise Risk Management ("ERM") program, which is a comprehensive risk assessment and mitigation process that identifies and addresses all known current and potential material risks to Novelis' global operations, including legal and regulatory risks. The ERM team is led by an executive officer who delivers an ERM report to the Audit Committee of our Board at least quarterly. The ERM team meets with or interviews approximately 80 employees each quarter to stay abreast of the latest risks we face. Throughout the escalation of the Russia-Ukraine conflict, our ERM team has monitored developments and gathered information about Novelis relationships with Russian businesses. Novelis' direct exposure to the conflict has been limited, as we have no operations, assets, or employees in either Russia or Ukraine, and we have only immaterial customer relationships in these countries historically. Sanctions, tariffs, a ban or similar actions impacting the supply of Russian aluminum could disrupt global aluminum supply. While one of our suppliers of metal is UC Rusal PLC ("Rusal"), a Russian aluminum company, we purchase metal from a diverse global portfolio of metal suppliers and are not dependent on Rusal for a significant portion of our metal supply. The ERM team also monitors other potential impacts of the Russia-Ukraine conflict, including impacts on the reliability of energy supplies to our European manufacturing sites and supply chain disruptions. This information is presented to, and discussed with, the Audit Committee of our Board at least quarterly, with interim updates from our executive leadership as our Board may require. In addition, we manage sanctions compliance through a global sanctions screening program, and our Information Security team monitors cybersecurity matters and makes periodic reports at meetings of our Board.

We believe that global long-term demand for aluminum rolled products remains strong, driven by anticipated economic growth, material substitution, and sustainability considerations, including increased environmental awareness around polyethylene terephthalate ("PET") plastics. Disruption in demand for aluminum rolled products as a result of the COVID-19 pandemic and semiconductor shortages impacting the automotive industry have moderated. However, we believe the challenging inflationary and geopolitical environment has increased economic uncertainty and is negatively impacting near-term demand in some end markets. The building and construction end market is experiencing lower demand, as it is more sensitive to inflation and interest rates. In addition, we are seeing reduced can sheet demand in the near term attributed to can makers reducing their excess inventory as they adjust to a more moderated level of can demand.

Despite current market uncertainty, we believe that long-term demand for aluminum rolled products remains intact. Increasing customer preference for sustainable packaging options and package mix shift toward infinitely recyclable aluminum are driving higher demand for aluminum beverage packaging worldwide. In fiscal 2022, we completed an investment to expand the rolling and recycling capacity, each by 100 kt, in our Pindamonhangaba, Brazil, plant to support this demand. Additionally, more than half of the 600 kt capacity of the greenfield rolling and recycling plant being built in Bay Minette, Alabama, announced in May 2022, will be used to serve the growing demand for aluminum beverage can sheet in North America. We continue to evaluate opportunities for additional capacity expansion across regions where local can sheet supply is insufficient to meet the rapid rise in demand.

We believe that long-term demand for aluminum automotive sheet will continue to grow, which drove our recently completed investments in automotive sheet finishing capacity in Guthrie, Kentucky, and Changzhou, China. This demand has been primarily driven by the benefits that result from using lightweight aluminum in vehicle structures and components, as automakers respond to stricter government regulations regarding emissions and fuel economy, while maintaining or improving vehicle safety and performance, resulting in increased competition with high-strength steel. We are also seeing increased demand for aluminum for electric vehicles, as aluminum's lighter weight can result in extended battery range.

We expect long-term demand for building and construction and other specialty products to grow due to increased customer preference for lightweight, sustainable materials and demand for aluminum plate in Asia to grow driven by the development and expansion of industries serving aerospace, rail, and other technically demanding applications.

Shipments of aerospace aluminum plate and sheet have improved in fiscal year 2023 to date as air-travel demand has recovered toward pre-COVID levels. In the longer-term, we believe significant aircraft industry order backlogs for key OEMs, including Airbus and Boeing, will translate into growth in the future and that our multi-year supply agreements have positioned us to benefit from future expected demand.

We believe the long-term demand trends for flat-rolled aluminum products remain strong, and we have identified more than \$4.5 billion of potential organic capital investment opportunities to grow Novelis' business through debottlenecking, recycling, and new capacity investments, focused on increasing capacity and capabilities that meet growing customer demand and align with our sustainability commitments. We intend to fund these organic growth investments from internally generated cash flows, and as such are pacing capital investments and prioritizing the following specific investments of approximately \$3.3 billion that are already underway:

- Approximately \$2.5 billion to construct a greenfield, fully integrated rolling and recycling plant in Bay Minette, Alabama. This new low-carbon U.S. plant will support strong demand for sustainable beverage can and automotive aluminum sheet and advance a more circular economy. We broke ground for this new facility in October 2022.
- Approximately \$365 million to build a highly advanced recycling center for automotive in the U.S., which will be adjacent to our existing automotive finishing plant in Guthrie, Kentucky. With an expected annual casting capacity of 240 kt of sheet ingot, we expect the facility will reduce the Company's carbon emissions by more than one million tonnes each year. We broke ground for this new recycling center in May 2022.
- Approximately \$50 million to build a recycling and casting center at the site of our UAL joint venture in South Korea. Fully funded by Novelis, the Ulsan Recycling Center will have an annual casting capacity of 100 kt of low-carbon sheet ingot. Once online, we expect the recycling center to reduce the Company's carbon emissions by more than 420,000 tonnes each year. We broke ground on this new recycling and casting center in November 2022.
- Approximately \$350 million to debottleneck production at several facilities in the U.S., Brazil, and South Korea and increase finished good rolling capacity by approximately 265 kt between fiscal 2024 and 2026. In North America, this includes \$130 million for 65 kt of finished good capacity release in Oswego, New York, and \$150 million for 80 kt of finished good capacity release in Logan, Kentucky. There is also a smaller \$20 million investment to release approximately 50 kt of capacity at our Yeongju, South Korea facility, and a \$50 million investment in Brazil to unlock an additional 70 kt of finished good capacity at our Pindamonhangaba facility.

Environmental, Social & Governance

In April 2021, we announced that we will further our longstanding sustainability commitment by aiming to become a carbon-neutral company by 2050 or sooner and reducing our carbon footprint 30% by 2026, based on a baseline of fiscal 2016. Carbon goals are inclusive of Scope 1 and 2, as well as Scope 3 emissions in categories 1 and 4 of the Greenhouse Gas Protocol. In addition, we have added targets to reduce waste to landfills by 20%, energy intensity by 10%, and water intensity by 10%, each by 2026, based on a baseline of fiscal 2020.

We plan to increase the use of recycled content in our products, as appropriate, and engage with customers, suppliers, and industry peers across the value chain as we aim to drive innovation that improves aluminum's overall sustainability. In addition, we intend to evaluate each future expansion project's carbon impact and plan to include an appropriate carbon cost impact as part of our financial evaluation of future strategic growth investments so that we may appropriately mitigate any negative carbon impacts to meet our goals.

In support of our commitments, we are voluntarily pursuing the certification of all of our plant operations to the Aluminum Stewardship Initiatives' ("ASI") certification program. ASI works together with producers, users, and stakeholders in the aluminum value chain to collaboratively foster responsible production, sourcing, and stewardship of aluminum. Currently, there are 19 plants with the Performance Standard and 14 with the Chain of Custody Standard. In addition, to support our initiatives, in April 2021, we issued €500 million in aggregate principal amount of senior notes. We intend to allocate an amount equal to the net proceeds of these notes to eligible green projects, such as investments in renewable energy and pollution prevention and control. Through March 31, 2023, we have allocated \$280 million of the net proceeds toward pollution prevention and control investments.

Our path to a more sustainable and circular future goes beyond our environmental commitments. We have set targets to reshape a more diverse and inclusive workforce that reflects our local communities. Globally, we are dedicated to increasing the representation of women in senior leadership, as well as in technical roles, at Novelis. To achieve these goals, the Company has established a global Diversity & Inclusion Board, as well as supporting councils in each of our four regions. We will also continue assisting our Employee Resource Groups to help create a more inclusive environment where we seek to provide our employees with a sense of belonging and where different backgrounds and perspectives are embraced and valued.

We are committed to supporting the communities in which our employees live and work. With firmly established community engagement programs, the Company commits to advancing its corporate social responsibility efforts by further investing in the Novelis Neighbor program, which gives back to communities through financial contributions and employee volunteer service. The program will continue emphasizing STEM education, raising recycling awareness, and fostering better overall community health and well-being.

COVID-19 Response

With our primary focus being the health and well-being of our employees, we continue to monitor the changing landscape with respect to COVID-19 and take actions to manage our business and support our customers. We have bolstered our own Environmental, Health, and Safety protocols and aligned them with guidance from global health authorities and government agencies across our operations to help ensure the safety of our employees, customers, suppliers, communities, and other stakeholders.

Liquidity Position

We believe we have adequate liquidity to manage the business with dynamic metal prices. Our cash and cash equivalents and long-term committed available borrowings aggregated to \$2.6 billion of liquidity at March 31, 2023.

We maintain a disciplined approach to capital spending, prioritizing maintenance capital for our operations, and organic strategic capacity expansions projects. We are taking a prudent approach to phasing the timing of transformational organic investment spend, and we expect capital expenditures to increase to a range of approximately \$1.6 to \$1.9 billion for fiscal 2024, as spending for a number of announced strategic capital projects is now ramping up. This includes approximately \$300 million for expected maintenance spend.

Market Trends

Beverage Packaging. We estimate global demand for can stock, which represents the largest percentage of our total rolled product shipments, will increase at a global compound annual growth rate of approximately 3% from calendar year 2022 to 2031 mainly driven by sustainability trends, growth in beverage markets that increasingly use aluminum packaging, and substitution against plastic, glass, and steel. However, we are seeing reduced can sheet demand, which began during the middle of fiscal year 2023 and which we expect to continue into early fiscal 2024. We attribute this reduced can sheet demand to the entire beverage supply chain reducing excess inventory as they adjust to a more moderated level of can demand as compared to unprecedented high demand during the COVID-19 pandemic due to high at-home consumption.

Automotive. We believe aluminum utilization is positioned for long-term growth through increased adoption of electric vehicles, which utilize higher amounts of aluminum. We estimate global automotive aluminum sheet demand will grow at an 11% compound annual growth rate between calendar year 2023 and 2028. Global supply chain disruptions, for example as a result of semiconductor shortages or public health crises (such as outbreaks of new COVID-19 variants), and increasing economic uncertainty may impact automotive build rates and near-term demand for automotive aluminum sheet.

Aerospace. Passenger air travel is increasing, as loosening COVID-19 restrictions have facilitated a faster than anticipated recovery for the industry. We expect demand for aerospace aluminum plate and sheet to continue to grow driven by increased air traffic and a need for fleet modernization.

Specialties. Specialties includes diverse markets, including building and construction, commercial transportation, foil and packaging, and commercial and consumer products. These industries continue to increase aluminum material adoption due to its many desirable characteristics. We believe these trends will keep demand high in the long-term, despite the near-term economic headwinds impacting demand for building and construction and some industrial products.

BUSINESS MODEL AND KEY CONCEPTS

Conversion Business Model

A significant amount of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of our flat-rolled products have a price structure with three components: (1) a base aluminum price quoted off the LME; (2) an LMP; and (3) a "conversion premium" to produce the rolled product which reflects, among other factors, the competitive market conditions for that product. Base aluminum prices are typically driven by macroeconomic factors and global supply and demand for aluminum. Local market premiums tend to vary based on the supply and demand for metal in a particular region and associated transportation costs.

In North America, Europe, and South America, we pass through local market premiums to our customers, which are recorded through net sales. In Asia, we purchase our metal inputs based on the LME and incur an LMP. Many of our competitors in this region price their metal off the Shanghai Futures Exchange, which does not include an LMP. However, in a majority of the new contracts over the last several quarters, we are able to fully pass through the LMPs.

LME Base Aluminum Prices and Local Market Premiums

The average (based on the simple average of the monthly averages) and closing prices for aluminum set on the LME for fiscal 2023, fiscal 2022, and fiscal 2021 are as follows.

				Percent Change	
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023 versus Fiscal 2022	Fiscal 2022 versus Fiscal 2021
Aluminum (per metric tonne, and presented in U.S. dollars):					
Closing cash price as of beginning of period	\$ 3,503	\$ 2,213	\$ 1,489	58 %	49 %
Average cash price during period	2,490	2,769	1,802	(10)	54
Closing cash price as of end of period	2,337	3,503	2,213	(33)	58

For fiscal 2023, fiscal 2022, and fiscal 2021, the weighted average local market premium is as follows.

				Percent Change	
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023 versus Fiscal 2022	Fiscal 2022 versus Fiscal 2021
Weighted average local market premium (per metric tonne, and presented in U.S. dollars)	\$ 395	\$ 494	\$ 199	(20)%	148 %

Metal Price Lag and Related Hedging Activities

Increases or decreases in the price of aluminum based on the average LME base aluminum prices and LMPs directly impact net sales, cost of goods sold (exclusive of depreciation and amortization), and working capital. The timing of these impacts varies based on contractual arrangements with customers and metal suppliers in each region. These timing impacts are referred to as metal price lag. Metal price lag exists due to: (i) the period of time between the pricing of our purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to our customers and (ii) certain customer contracts containing fixed forward price commitments, which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

We use LME aluminum forward contracts to preserve our conversion margins and manage the timing differences associated with the LME base metal component of net sales and cost of goods sold (exclusive of depreciation and amortization). These derivatives directly hedge the economic risk of future LME base metal price fluctuations to better match the purchase price of metal with the sales price of metal. We have exposure to multiple regional LMPs, however the derivative market for local market premiums is not robust or efficient enough for us to offset the impacts of LMP price movements beyond a small volume. From time to time, we take advantage of short-term market conditions to hedge a small percentage of our exposure. As a consequence, volatility in local market premiums can have a significant impact on our results of operations and cash flows.

We elect to apply hedge accounting to better match the recognition of gains or losses on certain derivative instruments with the recognition of the underlying exposure being hedged in the statement of operations. For undesignated metal derivatives, there are timing differences between the recognition of unrealized gains or losses on the derivatives and the recognition of the underlying exposure in the statement of operations. The recognition of unrealized gains and losses on undesignated metal derivative positions typically precedes inventory cost recognition, customer delivery, and revenue recognition. The timing difference between the recognition of unrealized gains and losses on undesignated metal derivatives and cost or revenue recognition impacts income from continuing operations before income tax provision and net income.

Foreign Currency and Related Hedging Activities

We operate a global business and conduct business in various currencies around the world. We have exposure to foreign currency risk as fluctuations in foreign exchange rates impact our operating results as we translate the operating results from various functional currencies into our U.S. dollar reporting currency at current average rates. We also record foreign exchange remeasurement gains and losses when business transactions are denominated in currencies other than the functional currency of that operation. Global economic uncertainty is contributing to higher levels of volatility among the currency pairs in which we conduct business. The following table presents the exchange rates as of the end of each period and the average of the month-end exchange rates for fiscal 2023, fiscal 2022, and fiscal 2021.

	Exchange Rate as of March 31,			Average Exchange Rate		
	2023	2022	2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Euro per U.S. dollar	0.920	0.889	0.851	0.960	0.862	0.853
Brazilian real per U.S. dollar	5.080	4.738	5.697	5.151	5.285	5.471
South Korean won per U.S. dollar	1,304	1,211	1,134	1,314	1,168	1,158
Canadian dollar per U.S. dollar	1.354	1.249	1.257	1.327	1.253	1.318
Swiss franc per euro	0.993	1.023	1.106	0.993	1.064	1.078

Exchange rate movements have an impact on our operating results. In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the euro strengthens but are adversely affected as the euro weakens. For our Swiss operations, where operating costs are incurred primarily in the Swiss franc and a large portion of revenues are denominated in the euro, we benefit as the Swiss franc weakens but are adversely affected as the franc strengthens. In South Korea, where we have local currency operating costs and U.S. dollar denominated selling prices for exports, we benefit as the South Korean won weakens but are adversely affected as the won strengthens. In Brazil, where we have predominately U.S. dollar selling prices and local currency manufacturing costs, we benefit as the Brazilian real weakens but are adversely affected as the real strengthens. We use foreign exchange forward contracts and cross-currency swaps to manage our exposure arising from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations, which include capital expenditures and net investment in foreign subsidiaries.

See *Segment Review* below for the impact of foreign currency on each of our segments.

RESULTS OF OPERATIONS

For fiscal 2023, we reported net income attributable to our common shareholder of \$658 million, a decrease compared to \$954 million in fiscal 2022. Net income from continuing operations was \$659 million for fiscal 2023, a decrease from \$1.0 billion in fiscal 2022, and Adjusted EBITDA was \$1.8 billion in fiscal 2023, a decrease from \$2.0 billion in fiscal 2022. The decrease in operational performance was primarily driven by significantly higher inflationary operating, energy and metal costs as a result of geopolitical instability, supply chain disruptions, rising interest rates, higher SG&A, unfavorable foreign exchange rates, less favorable metal benefit from recycling driven primarily by lower scrap spreads, lower shipments, and a gain of \$85 million, net of litigation expenses, from favorable outcomes in a Brazilian tax litigation in the prior year that did not recur. These unfavorable factors were partially offset by higher pricing, including some higher cost pass-through to customers, and favorable product mix.

Adjusted free cash flow was \$431 million for fiscal 2023. Refer to [Non-GAAP Financial Measures](#) for our definition of adjusted free cash flow.

Key Sales and Shipment Trends

in millions, except shipments which are in kt	Three Months Ended				Fiscal Year Ended	Three Months Ended				Fiscal Year Ended
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	March 31, 2023
Net sales	\$ 3,855	\$ 4,119	\$ 4,326	\$ 4,849	\$ 17,149	\$ 5,089	\$ 4,799	\$ 4,201	\$ 4,397	\$ 18,486
Percentage change in net sales ⁽¹⁾	59 %	38 %	33 %	34 %	40 %	32 %	17 %	(3)%	(9)%	8 %
Rolled product shipments:										
North America	358	375	358	376	1,467	386	386	380	363	1,515
Europe	279	260	254	274	1,067	272	268	242	248	1,030
Asia	192	197	171	203	763	185	208	141	187	721
South America	157	147	157	156	617	148	162	162	144	616
Eliminations	(13)	(11)	(10)	(22)	(56)	(29)	(40)	(17)	(6)	(92)
Total	973	968	930	987	3,858	962	984	908	936	3,790

The following summarizes the percentage increase (decrease) in rolled product shipments versus the comparable prior period:

North America	32 %	2 %	3 %	4 %	9 %	8 %	3 %	6 %	(3)%	3 %
Europe	32	8	—	1	9	(3)	3	(5)	(9)	(3)
Asia	4	11	(7)	2	2	(4)	6	(18)	(8)	(6)
South America	39	(1)	(1)	(3)	7	(6)	10	3	(8)	—
Total	26 %	5 %	— %	— %	7 %	(1)%	2 %	(2)%	(5)%	(2)%

(1) The percentage (decrease) or increase in net sales versus the comparable previous year period

Fiscal 2023 Compared to Fiscal 2022

Net sales were \$18.5 billion for fiscal 2023, an increase of 8% from \$17.1 billion in fiscal 2022, primarily driven by favorable movement in aluminum prices and higher product pricing, partially offset by a 2% decrease in total shipments compared to the prior year.

Income from continuing operations before income tax provision was \$806.0 million for fiscal 2023, a decrease of 38% from \$1.3 billion in fiscal 2022. In addition to the factor noted above, the following items affected the change in income from continuing operations before income tax provision.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) was \$16.0 billion for fiscal 2023, an increase of 11% from \$14.4 billion in fiscal 2022, driven primarily by higher average aluminum prices, cost inflation and less favorable metal benefits from recycling. Total metal input costs included in cost of goods sold (exclusive of depreciation and amortization) increased \$1.3 billion over fiscal 2022.

Selling, General and Administrative Expenses

SG&A was \$679 million for fiscal 2023 compared to \$631 million for fiscal 2022. The increase is primarily due to higher factoring expense resulting from higher interest rates.

Depreciation and Amortization

Depreciation and amortization was \$540 million for fiscal 2023 compared to \$550 million for fiscal 2022.

Interest Expense and Amortization of Debt Issuance Costs

Interest expense and amortization of debt issuance costs was \$274 million for fiscal 2023 compared to \$227 million for fiscal 2022. The increase is primarily due to higher average interest rates on variable interest rate borrowings.

Loss on Extinguishment of Debt, Net

There were no losses on extinguishment of debt in fiscal 2023. We recorded \$64 million in loss on extinguishment of debt, net in fiscal 2022 primarily related to the write-off of unamortized debt issuance costs and a \$51 million cash payment of a redemption premium for the redemption of our 5.875% Senior Notes, due September 2026.

See [Note 13 – Debt](#) for further information.

Restructuring and Impairment, Net

Restructuring and impairment, net was \$33 million in fiscal 2023. This primarily relates to reorganization activities resulting from the closure of certain outdated processes at our Richmond plant in North America.

Restructuring and impairment, net was \$1 million in fiscal 2022 related primarily to reorganization activities resulting from the Aleris acquisition, mostly offset by a partial release of certain restructuring liabilities as a result of changes in estimated costs.

See [Note 4 – Restructuring and Impairment](#) for further information.

Other (Income) Expenses, Net

Other expenses (income), net was an expense of \$79 million for fiscal 2023 compared to income of \$61 million for fiscal 2022. This change primarily relates to a gain in the comparable prior year period of \$85 million on Brazilian tax litigation related to favorable decisions that did not recur in the current period, as well as higher losses on the change in fair value of derivative instruments, net, in the current period.

Taxes

We recognized \$147 million of income tax provision in fiscal 2023, which resulted in an effective tax rate of 19%. This rate was primarily driven by the results of operations taxed at foreign statutory rates that differ from the 25% Canadian rate, including withholding taxes; changes to the Brazilian real foreign exchange rate; change in valuation allowances, including a \$39 million benefit from the release of certain valuation allowances; and the availability of tax credits. We recognized \$281 million in fiscal 2022, which resulted in an effective tax rate of 22%. This rate was primarily driven by the results of operations taxed at foreign statutory tax rates that differ from the 25% Canadian tax rate, including withholding taxes; changes to the Brazilian real foreign exchange rate; changes in valuation allowances, including a \$73 million benefit from the release of certain valuation allowances; and the availability of tax credits. See [Note 21 – Income Taxes](#) for further information.

Segment Review

Due in part to the regional nature of supply and demand of aluminum rolled products and in order to best serve our customers, we manage our activities on the basis of geographical regions and are organized under four operating segments: North America, Europe, Asia, and South America.

The tables below illustrate selected segment financial information (in millions, except shipments which are in kt). For additional financial information related to our operating segments including the reconciliation of net income attributable to our common shareholder to Adjusted EBITDA, see [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#). In order to reconcile the financial information for the segments shown in the tables below to the relevant U.S. GAAP-based measures, "Eliminations and other" must adjust for proportional consolidation of each line item for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP purposes. However, we manage our Logan affiliate on a proportionately consolidated basis and eliminate intersegment shipments.

Selected Operating Results Fiscal 2023	North America	Europe	Asia	South America	Eliminations and other	Total
Net sales	\$ 7,550	\$ 5,059	\$ 3,014	\$ 2,893	\$ (30)	\$ 18,486
Shipments (in kt):						
Rolled products - third party	1,515	998	678	599	—	3,790
Rolled products - intersegment	—	32	43	17	(92)	—
Total rolled products	1,515	1,030	721	616	(92)	3,790
Non-rolled products	15	117	32	138	(21)	281
Total shipments	1,530	1,147	753	754	(113)	4,071

Selected Operating Results Fiscal 2022	North America	Europe	Asia	South America	Eliminations and other	Total
Net sales	\$ 6,735	\$ 4,720	\$ 3,036	\$ 2,638	\$ 20	\$ 17,149
Shipments (in kt):						
Rolled products - third party	1,467	1,038	737	616	—	3,858
Rolled products - intersegment	—	29	26	1	(56)	—
Total rolled products	1,467	1,067	763	617	(56)	3,858
Non-rolled products	13	120	25	99	(35)	222
Total shipments	1,480	1,187	788	716	(91)	4,080

The following table reconciles changes in Adjusted EBITDA for fiscal 2022 to fiscal 2023 (in millions).

Changes in Adjusted EBITDA	North America	Europe	Asia	South America	Eliminations and other ⁽¹⁾	Total
Adjusted EBITDA - Fiscal 2022	\$ 685	\$ 324	\$ 352	\$ 681	\$ 3	\$ 2,045
Volume	51	(47)	(43)	(1)	(34)	(74)
Conversion premium and product mix ⁽²⁾	230	228	87	50	(26)	569
Conversion costs	(208)	(185)	(13)	(166)	64	(508)
Foreign exchange	(3)	(38)	(19)	8	—	(52)
Selling, general & administrative and research & development costs ⁽³⁾	(33)	(16)	(16)	(7)	4	(68)
Other changes	(49)	20	(9)	(43)	(20)	(101)
Adjusted EBITDA - Fiscal 2023	\$ 673	\$ 286	\$ 339	\$ 522	\$ (9)	\$ 1,811

(1) The recognition of Adjusted EBITDA by a region on an intersegment shipment could occur in a period prior to the recognition of Adjusted EBITDA on a consolidated basis, depending on the timing of when the inventory is sold to a third-party customer. The "Eliminations and other" column adjusts regional Adjusted EBITDA for intersegment shipments that occur in a period prior to recognition of Adjusted EBITDA on a consolidated basis. The "Eliminations and other" column also reflects adjustments for changes in regional volume, conversion premium and product mix, and conversion costs related to intersegment shipments for consolidation. "Eliminations and other" must adjust for proportional consolidation of each line item for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP, but we manage our Logan affiliate on a proportionately consolidated basis.

(2) Conversion premium and product mix in Europe includes a \$37 million customer contractual obligation benefit recognized during the twelve months ended March 31, 2023.

(3) Selling, general & administrative and research & development costs include costs incurred directly by each segment and all corporate related costs.

North America

Net sales increased \$815 million, or 12%, driven primarily by higher product pricing, higher automotive shipments as semiconductor challenges in the prior year have eased, and higher full year beverage can shipments despite some can customers reducing excess inventory in the second half of fiscal 2023, partially offset by lower specialty shipments due to softer demand in a weaker economic environment. Adjusted EBITDA was \$673 million, a decrease of 2%, primarily driven by higher operating costs due to inflation, geopolitical instability, global supply chain disruptions, and less favorable metal benefit. In addition, SG&A and other changes increased versus the prior year mainly due to an increase in factoring expense resulting from higher interest rates, partially offset by higher volume, favorable product mix, and higher product prices.

Europe

Net sales increased \$339 million, or 7%, driven primarily by higher product pricing, higher automotive and aerospace shipments as semiconductor challenges ease and air travel demand recovers, and favorable movement in aluminum prices, partially offset by lower specialty shipments due to softer demand in a weaker economic environment and lower can shipments due to customers reducing their excess inventory. Adjusted EBITDA was \$286 million, a decrease of 12%, primarily driven by higher energy and other operating costs due to inflation, geopolitical instability, and global supply chain disruptions, unfavorable foreign exchange rates, lower metal benefits and higher factoring expense resulting from higher interest rates. These factors are partially offset by favorable product mix on improving automotive and aerospace shipments, and higher product prices, as well as a \$37 million customer contractual obligation benefit and a \$10 million Duffel settlement benefit in the current year.

Asia

Net sales decreased \$22 million, or 1%, driven primarily by lower specialty shipments due to planned portfolio optimization to focus on more profitable product offerings and lower automotive shipments impacted by COVID-19 pandemic-related supply chain disruption in China in the current fiscal year, partially offset by higher product pricing and higher aerospace shipments as recovery in air travel improves demand for aerospace plate and sheet. Adjusted EBITDA was \$339 million, a decrease of 4%, primarily due to lower volume, higher energy and other operating costs due to inflation, geopolitical instability, and global supply chain disruptions, and unfavorable foreign exchange, partially offset by higher product prices and lower freight costs.

South America

Net sales increased \$255 million, or 10%, driven primarily by higher product pricing and favorable movement in aluminum price, as rolled product shipments were flat year over year. Adjusted EBITDA was \$522 million, a decrease of 23%, primarily due to prior year gains from the principal amount net of litigation expenses from favorable outcomes of Brazil tax litigation that did not recur in the current period, as well as less favorable metal benefit, and higher energy and other operating costs due to inflation, geopolitical instability, and global supply chain disruptions. These factors were partially offset by higher product prices and favorable foreign exchange rates.

LIQUIDITY AND CAPITAL RESOURCES

We believe we maintain adequate liquidity levels through a combination of cash and availability under committed credit facilities. Our cash and cash equivalents and availability under committed credit facilities aggregated to \$2.6 billion of liquidity as of March 31, 2023. Our primary liquidity sources are cash flows from operations, working capital management, cash, and liquidity under our debt agreements. Our recent business investments are being funded through cash flows generated by our operations and a combination of local financing and our senior secured credit facilities. We expect to be able to fund both our short-term and long-term liquidity needs, such as our continued expansions, servicing our debt obligations, and providing sufficient liquidity to operate our business, through one or more of the following: the generation of operating cash flows, working capital management, our existing debt facilities (including refinancing), and new debt issuances, as necessary.

Our capital expenditures expectation for fiscal 2024 is approximately \$1.6 to \$1.9 billion. This includes approximately \$300 million for expected maintenance spend.

Available Liquidity

Our available liquidity as of March 31, 2023 and 2022 is as follows.

in millions	March 31,	
	2023	2022
Cash and cash equivalents	\$ 1,498	\$ 1,070
Availability under committed credit facilities	1,101	1,499
Total available liquidity	<u>\$ 2,599</u>	<u>\$ 2,569</u>

The increase in total available liquidity is primarily due to an increase in our cash and cash equivalents largely offset by a decrease in the availability under committed credit facilities, which is primarily driven by increased borrowing on the ABL Revolver compared to the prior year. See [Note 13 – Debt](#) for more details on our availability under committed credit facilities.

Cash and cash equivalents includes cash held in foreign countries in which we operate. As of March 31, 2023, we held \$13 million of cash and cash equivalents in Canada, in which we are incorporated, with the rest held in other countries in which we operate. As of March 31, 2023, we held \$699 million of cash in jurisdictions for which we have asserted that earnings are permanently reinvested, and we plan to continue to fund operations and local expansions with cash held in those jurisdictions. Cash held outside of Canada is free from significant restrictions that would prevent the cash from being accessed to meet the Company's liquidity needs including, if necessary, to fund operations and service debt obligations in Canada. Upon the repatriation of any earnings to Canada, in the form of dividends or otherwise, we could be subject to Canadian income taxes (subject to adjustment for foreign taxes paid and the utilization of the large cumulative net operating losses we have in Canada) and withholding taxes payable to the various foreign jurisdictions. As of March 31, 2023, we do not believe adverse tax consequences exist that restrict our use of cash and cash equivalents in a material manner.

We use derivative contracts to manage risk as well as liquidity. Under our terms of credit with counterparties to our derivative contracts, we do not have any material margin call exposure. No material amounts have been posted by Novelis nor do we hold any material amounts of margin posted by our counterparties. We settle derivative contracts in advance of billing on the underlying physical inventory and collecting payment from our customers, which temporarily impacts our liquidity position. The lag between derivative settlement and customer collection typically ranges from 30 to 90 days.

Obligations

Our material cash requirements include future contractual and other obligations arising in the normal course of business. These obligations primarily include debt and related interest payments, finance and operating lease obligations, postretirement benefit plan obligations, and purchase obligations.

Debt

As of March 31, 2023, we had an aggregate principal amount of debt, excluding finance leases, of \$5.7 billion, with \$743 million due within 12 months. In addition, we are obligated to make periodic interest payments at fixed and variable rates, depending on the terms of the applicable debt agreements. Based on applicable interest rates and scheduled debt maturities as of March 31, 2023, our total interest obligation on long-term debt totaled an estimated \$1.2 billion, with \$237 million payable within 12 months. Actual future interest payments may differ from these amounts based on changes in floating interest rates or other factors or events. Excluded from these amounts are interest related to finance lease obligations, the amortization of debt issuance costs, and other costs related to indebtedness. See [Note 13 – Debt](#) to our accompanying consolidated financial statements for more information about our debt arrangements.

Leases

We lease certain land, buildings, and equipment under non-cancelable operating lease arrangements and certain office space under finance lease arrangements. As of March 31, 2023, we had aggregate finance lease obligations of \$31 million, with \$16 million due within 12 months. This includes both principal and interest components of future minimum finance lease payments. Excluded from these amounts are insurance, taxes, and maintenance associated with the property. As of March 31, 2023, we had aggregate operating lease obligations of \$133 million, with \$28 million due within 12 months. This includes the minimum lease payments for non-cancelable leases for property and equipment used in our operations. Excluded from these amounts are insurance, taxes, and maintenance associated with the properties and equipment as well as future minimum lease payments related to operating leases signed but not yet commenced. We do not have any operating leases with contingent rents. See [Note 11 – Leases](#) to our accompanying consolidated financial statements for further discussion of our operating and finance leases.

Postretirement Benefit Plans

Obligations for postretirement benefit plans are estimated based on actuarial estimates using benefit assumptions for, among other factors, discount rates, rates of compensation increases, and health care cost trends. As of March 31, 2023, payments for pension plan benefits and other post-employment benefits estimated through 2033 were \$1.2 billion, with \$106 million due within 12 months. See [Note 15 – Postretirement Benefit Plans](#) to our accompanying consolidated financial statements for further discussion.

Purchase Obligations and Other

Purchase obligations include agreements to purchase goods (including raw materials and capital expenditures) and services that are enforceable and legally binding on us and that specify all significant terms. Some of our raw material purchase contracts have minimum annual volume requirements. In these cases, we estimate our future purchase obligations using annual minimum volumes and costs per unit that are in effect as of March 31, 2023. As of March 31, 2023, we had aggregate purchase obligations of \$16.7 billion, with \$6.8 billion due within 12 months.

Due to volatility in the cost of our raw materials, actual amounts paid in the future may differ from these amounts. Excluded from these amounts are the impact of any derivative instruments and any early contract termination fees, such as those typically present in energy contracts. Purchase obligations do not include contracts that can be cancelled without significant penalty.

The future cash flow commitments we may have related to derivative contracts are from the figures above as these are fair value measurements determined at an interim date within the contractual term of the arrangement and, accordingly, do not represent the ultimate contractual obligation (which could ultimately become a receivable). As a result, the timing and amount of the ultimate future cash flows related to our derivative contracts, including the \$136 million of derivative liabilities recorded on our balance sheet as of March 31, 2023, are uncertain. In addition, stock compensation is excluded from the above figures as it is a fair value measurement determined at an interim date and is not considered a contractual obligation. Furthermore, due to the difficulty in determining the timing of settlements, the above figures also exclude \$73 million of uncertain tax positions. See [Note 21 – Income Taxes](#) to our accompanying consolidated financial statements for more information.

There are no additional material off-balance sheet arrangements.

Adjusted Free Cash Flow

Refer to [Non-GAAP Financial Measures](#) for our definition of adjusted free cash flow.

The following table shows adjusted free cash flow for fiscal 2023, fiscal 2022, and fiscal 2021 and the change between periods, as well as the ending balances of cash and cash equivalents.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021	Change	
				Fiscal 2023 versus Fiscal 2022	Fiscal 2022 versus Fiscal 2021
Net cash provided by operating activities - continuing operations	\$ 1,220	\$ 1,132	\$ 1,209	\$ 88	\$ (77)
Net cash used in investing activities - continuing operations	(775)	(473)	(3,079)	(302)	2,606
Plus: Cash used in the acquisition of business and other investments, net of cash and restricted cash acquired ⁽¹⁾	7	—	2,614	7	(2,614)
Less: Proceeds from sales of assets and business, net of transactions fees, cash income taxes and hedging	(9)	(10)	(4)	1	(6)
Adjusted free cash flow from continuing operations	443	649	740	(206)	(91)
Net cash (used in) provided by operating activities - discontinued operations	(12)	11	(82)	(23)	93
Net cash provided by investing activities - discontinued operations	—	—	357	—	(357)
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations ⁽²⁾	—	—	(403)	—	403
Adjusted free cash flow	\$ 431	\$ 660	\$ 612	(229)	48
Cash and cash equivalents	\$ 1,498	\$ 1,070	\$ 998	\$ 428	\$ 72

(1) The total of acquisition of business and other investments, net of cash and restricted cash acquired in fiscal 2021 represents \$2.8 billion of merger consideration plus \$4 million related to the translation adjustment of the €55 million capital improvement investment for Duffel upon payout, net of \$105 million of cash and cash equivalents, \$41 million of discontinued operations cash and cash equivalents acquired, \$9 million of restricted cash, and \$9 million in contingent consideration paid in the acquisition of business.

(2) Proceeds from the sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations in fiscal 2021 represents the proceeds from the sale of Duffel, net of cash sold of \$23 million and the proceeds from the sale of Lewisport.

Cash Flow Summary

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021	Change	
				Fiscal 2023 versus Fiscal 2022	Fiscal 2022 versus Fiscal 2021
Net cash provided by operating activities	\$ 1,208	\$ 1,143	\$ 1,127	\$ 65	\$ 16
Net cash used in investing activities	(775)	(473)	(2,722)	(302)	2,249
Net cash provided by (used in) financing activities	24	(615)	180	639	(795)

Operating Activities

The increase in net cash provided by operating activities primarily relates to lower net cash outflows from changes in working capital, partially offset by lower Adjusted EBITDA and and unfavorable metal price lag.

Investing Activities

The change in net cash used in investing activities over the prior fiscal year primarily relates to higher capital expenditures of \$786 million in fiscal 2023 compared to \$446 million in fiscal 2022.

Financing Activities

The following represents proceeds from the issuance of long-term and short-term borrowings during fiscal 2023.

<i>in millions</i>	Fiscal 2023
Short-term issuances ⁽¹⁾	\$ 50
Proceeds from issuance of long-term and short-term borrowings	\$ 50

⁽¹⁾ The \$50 million of issuances relate to the Brazil short-term loan entered into in March 2023.

The following represents principal payments of long-term and short-term borrowings during fiscal 2023.

<i>in millions</i>	Fiscal 2023
Short-term Axis Loan	\$ (314)
Short-term Brazil Loan	(50)
Floating rate Term Loans, due January 2025	(8)
Finance leases and other repayments	(7)
3.90% China Bank Loans, due August 2027	(6)
Floating rate Term Loans, due March 2028	(5)
Principal payments of long-term and short-term borrowings	\$ (390)

The following represents inflows (outflows) from revolving credit facilities and other, net during fiscal 2023.

<i>in millions</i>	Fiscal 2023
ABL Revolver	\$ 448
China credit facility	15
Korea credit facility	8
Revolving credit facilities and other, net	\$ 471

In addition to the activities shown in the tables above during fiscal 2023, we paid \$7 million in debt issuance costs, primarily related to the August 2022 amendment to our ABL Revolver. We also paid return of capital to our common shareholder in the amount of \$100 million during fiscal 2023.

During fiscal 2022, there were \$2.0 billion issuances of long-term and short-term borrowings, including \$1.5 billion in issuances of Senior Notes. The proceeds from the issuance of the 3.250% Senior Notes, due November 2026 and the 3.875% Senior Notes, due August 2031 were used to redeem the \$1.5 billion principal amount outstanding on the 5.875% Senior Notes, due September 2026.

Additionally, we had \$415 million of short-term issuances in fiscal 2022, \$315 million of which related to the short-term loan with Axis Bank Limited entered into in January 2022. The proceeds of the short-term loan were applied to voluntarily prepay the outstanding principal balance on our floating rate Term Loans, due June 2022.

During fiscal 2022, we also issued \$50 million of loans in Brazil and \$20 million in floating rate Term Loans, due March 2028.

As a result of our issuances in fiscal 2022, we paid \$25 million in debt issuance costs, \$22 million of which related to the issuance of new Senior Notes in the period and \$3 million related to prior period issuances. We also paid a return of capital to our common shareholder in the amount of \$100 million.

Non-Guarantor Information

As of March 31, 2023, the Company's subsidiaries that are not guarantors represented the following approximate percentages of (a) net sales, (b) Adjusted EBITDA, and (c) total assets of the Company, on a consolidated basis (including intercompany balances):

Item Description	Ratio
Consolidated net sales represented by net sales to third parties by non-guarantor subsidiaries (for fiscal 2023)	19 %
Consolidated Adjusted EBITDA represented by the non-guarantor subsidiaries (for fiscal 2023)	16
Consolidated assets are owned by non-guarantor subsidiaries (as of March 31, 2023)	14

Refer to [Non-GAAP Financial Measures](#) for our definition of Adjusted EBITDA. In addition, for both fiscal 2023 and fiscal 2022, the Company's subsidiaries that are not guarantors had net sales of \$4.0 billion, and, as of March 31, 2023, those subsidiaries had assets of \$3.0 billion and debt and other liabilities of \$1.6 billion (including intercompany balances).

CAPITAL ALLOCATION FRAMEWORK

In May 2021, Novelis announced a capital allocation framework that laid out the general guidelines for use of post-maintenance capital expenditure adjusted free cash flow for the next five years. The priority at that time was to reduce long-term debt by \$2.6 billion from its recent peak in the first quarter of fiscal 2021 after the Aleris acquisition and to target a net leverage ratio of approximately 2.5x. Having achieved both targets by the end of fiscal 2022, the priority has now shifted to organic growth capital expenditures. Novelis has identified over \$4.5 billion of potential organic growth opportunities, of which specific capital projects of approximately \$3.3 billion are already underway. We intend to fund these expansions primarily with operating cash flow so as to maintain a medium-term net leverage ratio in a range around 2.5x, and continue to guide approximately 8%-10% of post-maintenance capital expenditure adjusted free cash flow to be returned to our common shareholder. Payments to our common shareholder are at the discretion of our Board of Directors. Any such payments depend on, among other things, our financial resources, cash flows generated by our business, our cash requirements, restrictions under the instruments governing our indebtedness, being in compliance with the appropriate indentures and covenants under the instruments that govern our indebtedness, and other relevant factors.

We paid returns of capital to our common shareholder in the amount of \$100 million during each of the second quarters of fiscal 2023 and 2022. Past payment of returns of capital should not be construed as a guarantee of future returns of capital in the same amounts or at all.

ENVIRONMENT, HEALTH AND SAFETY

We strive to be a leader in environment, health and safety standards. Our environment, health and safety system is aligned with ISO 14001, an international environmental management standard, and OHSAS 18001 or ISO 45001, international occupational health and safety management standards. As of March 31, 2023 and 2022, 24 of our facilities were OHSAS 18001 or ISO 45001 certified. As of March 31, 2023 and 2022, 28 of our facilities were ISO 14001 certified. In addition as of March 31, 2023 and 2022, 30 of our facilities were certified to one of the following quality standards: ISO 9001, TS 16949, IATF 16949.

Our expenditures for environmental protection (including estimated and probable environmental remediation costs as well as general environmental protection costs at our facilities) and the betterment of working conditions in our facilities were \$19 million during fiscal 2023, of which \$18 million was expensed and \$1 million was capitalized. We expect that these expenditures will be approximately \$21 million in fiscal 2024, of which we estimate \$15 million will be expensed and \$6 million will be capitalized. Generally, expenses for environmental protection are recorded in cost of goods sold (exclusive of depreciation and amortization). However, significant remediation costs that are not associated with on-going operations are recorded in restructuring and impairment, net.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our results of operations, liquidity and capital resources are based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. In connection with the preparation of our consolidated financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors we believe to be relevant at the time we prepare our consolidated financial statements. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in [Note 1 – Business and Summary of Significant Accounting Policies](#) to our accompanying consolidated financial statements. We believe the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, as they require management to make difficult, subjective or complex judgments, and to make estimates about the effect of matters that are inherently uncertain. Although management believes that the estimates and judgments discussed herein are reasonable, actual results could differ, which could result in gains or losses that could be material. We have reviewed these critical accounting policies and related disclosures with the Audit Committee of our Board of Directors.

Derivative Financial Instruments

We hold derivatives for risk management purposes and not for trading. We use derivatives to mitigate uncertainty and volatility caused by underlying exposures to metal prices, foreign exchange rates, interest rates, and energy prices. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices for commodity and foreign exchange rates. See [Note 17 – Financial Instruments and Commodity Contracts](#) and [Note 19 – Fair Value Measurements](#) to our accompanying consolidated financial statements for discussion on fair value of derivative instruments.

We may be exposed to losses in the future if the counterparties to our derivative contracts fail to perform. We are satisfied that the risk of such non-performance is remote due to our monitoring of credit exposures. Additionally, we enter into master netting agreements with contractual provisions that allow for netting of counterparty positions in case of default, and we do not face credit contingent provisions that would result in the posting of collateral.

For derivatives designated as fair value hedges, we assess hedge effectiveness by formally evaluating the high correlation of changes in the fair value of the hedged item and the derivative hedging instrument. The changes in the fair values of the underlying hedged items are reported in other current and noncurrent assets and liabilities in the consolidated balance sheets. Changes in the fair values of these derivatives and underlying hedged items generally offset, and the entire change in the fair value of derivatives is recorded in the statement of operations line item consistent with the underlying hedged item.

For derivatives designated as cash flow hedges or net investment hedges, we assess hedge effectiveness by formally evaluating the high correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is included in other comprehensive income (loss) and reclassified to earnings in the period in which earnings are impacted by the hedged items or in the period that the transaction becomes probable of not occurring. Gains or losses representing reclassifications of other comprehensive income (loss) to earnings are recognized in the same line item that is impacted by the underlying exposure. We exclude the time value component of foreign currency and aluminum price risk hedges when measuring and assessing effectiveness to align our accounting policy with risk management objectives when it is necessary. If at any time during the life of a cash flow hedge relationship we determine that the relationship is no longer effective, the derivative will no longer be designated as a cash flow hedge and future gains or losses on the derivative will be recognized in other expenses (income), net.

For all derivatives designated as hedging relationships, gains or losses representing amounts excluded from effectiveness testing are recognized in other expenses (income), net in our current period earnings. If no hedging relationship is designated, gains or losses are recognized in other expenses (income), net in our current period earnings.

Consistent with the cash flows from the underlying risk exposure, we classify cash settlement amounts associated with designated derivatives as part of either operating or investing activities in the consolidated statements of cash flows. If no hedging relationship is designated, we classify cash settlement amounts as part of investing activities in the consolidated statement of cash flows.

Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. We estimated fair value of the identifiable net assets using a number of factors, including the application of multiples and discounted cash flow estimates. The carrying value of goodwill for each of our reporting units, which is tested for impairment annually, follows.

<i>in millions</i>	As of March 31, 2023	
North America	\$	660
Europe		234
Asia		41
South America		141
Goodwill	\$	1,076

Goodwill is not amortized; instead, it is tested for impairment annually or more frequently if indicators of impairment exist. On an ongoing basis, absent any impairment indicators, we perform our goodwill impairment testing as of March 31 of each fiscal year. We do not aggregate components of operating segments to arrive at our reporting units, and as such our reporting units are the same as our operating segments.

ASC 350, Intangibles - Goodwill provides an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the one-step quantitative impairment test, otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, proceed directly to the one-step quantitative impairment test. The ultimate outcome of the goodwill impairment review for a reporting unit should be the same whether an entity chooses to perform the qualitative assessment or proceeds directly to the one-step quantitative impairment test.

For our fiscal 2023 test, we elected to perform the one-step quantitative impairment test, where we compared the fair value of each reporting unit to its carrying amount, and if the quantitative test indicates that the carrying value of a reporting unit exceeds the fair value, such excess is to be recorded as an impairment. For purposes of our quantitative analysis, our estimate of fair value for each reporting unit as of the testing date is based on a weighted average of the value indication from income and market approach. The approach to determining fair value for all reporting units is consistent given the similarity of our operations in each region.

Under the income approach, the fair value of each reporting unit is based on the present value of estimated future cash flows. The income approach is dependent on a number of significant management assumptions including sales volumes, conversion premiums, capital spending, working capital requirements, long-term growth rate, and the discount rate. We estimate future cash flows for each of our reporting units based on our projections for the respective reporting unit. These projected cash flows are discounted to the present value using a weighted average cost of capital (discount rate). The discount rate is commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions. For our annual impairment test, we used a discount rate of 9.57% for all reporting units. An increase or decrease of 0.25% in the discount rate would have impacted the estimated fair value of each reporting unit by approximately \$103 million-\$411 million, depending on the relative size of the reporting unit. Additionally, an increase or decrease of 0.25% in the terminal year growth rate assumption would have impacted the estimated fair value of each reporting unit by approximately \$72 million-\$310 million, depending on the relative size of the reporting unit. The projections are based on both past performance and the expectations of future performance and assumptions used in our current operating plan. We use specific revenue growth assumptions for each reporting unit based on history and economic conditions. The long-term growth rate assumption is 2.25%.

Under the market approach, the fair value of each reporting unit is determined based upon comparisons to public companies engaged in similar businesses. The market approach is dependent on a number of significant assumptions including selection of multiples and control premium.

As a result of our annual goodwill impairment test for fiscal 2023, no goodwill impairment was identified. The fair values of the reporting units exceeded their respective carrying amounts as of March 31, 2023 by 118% for North America, by 32% for Europe, by 128% for Asia, and by 297% for South America.

Pension and Other Postretirement Plans

We account for our pensions and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits. Liabilities and expense for pension plans and other postretirement benefits are determined using actuarial methodologies and incorporate significant assumptions, including the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). These assumptions bear the risk of change as they require significant judgment and they have inherent uncertainties that management may not be able to control.

The actuarial models use an attribution approach that generally spreads the financial impact of changes to the plan and actuarial assumptions over the average remaining service lives of the employees in the plan or average life expectancy. The principle underlying the required attribution approach is that employees render service over their average remaining service lives on a relatively smooth basis and, therefore, the accounting for benefits earned under the pension or non-pension postretirement benefits plans should follow the same relatively smooth pattern. Changes in the liability due to changes in actuarial assumptions such as discount rate, rate of compensation increases and mortality, as well as annual deviations between what was assumed and what was experienced by the plan are treated as actuarial gains or losses. The actuarial gains and losses are initially recorded to other comprehensive income (loss) and subsequently amortized over periods of 15 years or less.

The most significant assumption used to calculate pension and other postretirement obligations is the discount rate used to determine the present value of benefits. The discount rate is based on spot rate yield curves and individual bond matching models for pension and other postretirement plans in Canada, the U.S., the U.K., and other eurozone countries, and on published long-term high quality corporate bond indices in other countries with adjustments made to the index rates based on the duration of the plans' obligations for each country, at the end of each fiscal year. This bond matching approach matches the bond yields with the year-to-year cash flow projections from the actuarial valuation to determine a discount rate that more accurately reflects the timing of the expected payments. The weighted average discount rate used to determine the pension benefit obligation was 4.5%, 3.1%, and 2.5% and other postretirement benefit obligation was 5.5%, 4.0% and 3.4% as of March 31, 2023, 2022, and 2021, respectively. The weighted average discount rate used to determine the net periodic benefit cost is the rate used to determine the benefit obligation at the end of the previous fiscal year.

As of March 31, 2023, an increase in the discount rate of 0.5%, assuming inflation remains unchanged, would result in a decrease of \$101 million in the pension and other postretirement obligations and in a pre-tax decrease of \$7 million in the net periodic benefit cost in the following year. A decrease in the discount rate of 0.5% as of March 31, 2023, assuming inflation remains unchanged, would result in an increase of \$112 million in the pension and other postretirement obligations and in a pre-tax increase of \$8 million in the net periodic benefit cost in the following year.

The long term expected return on plan assets is based upon historical experience, expected future performance as well as current and projected investment portfolio diversification. The weighted average expected return on plan assets was 4.8% for 2023, 4.9% for 2022, and 5.1% for 2021. The expected return on assets is a long-term assumption whose accuracy can only be measured over a long period based on past experience. A variation in the expected return on assets of 0.5% as of March 31, 2023 would result in a pre-tax variation of approximately \$18 million in the net periodic benefit cost in the following year.

Income Taxes

We account for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, deferred tax assets are also recorded with respect to net operating losses and other tax attribute carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when realization of the benefit of deferred tax assets is not deemed to be more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We considered all available evidence, both positive and negative, in determining the appropriate amount of the valuation allowance against our deferred tax assets as of March 31, 2023. In evaluating the need for a valuation allowance, we consider all potential sources of taxable income, including income available in carryback periods, future reversals of taxable temporary differences, projections of taxable income, and income from tax planning strategies, as well as any other available and relevant information. Positive evidence includes factors such as a history of profitable operations, projections of future profitability within the carryforward period and potential income from prudent and feasible tax planning strategies. Negative evidence includes items such as cumulative losses, projections of future losses, and carryforward periods that are not long enough to allow for the utilization of the deferred tax asset based on existing projections of income. In certain jurisdictions, deferred tax assets related to loss carryforwards and other temporary differences exist without a valuation allowance where in our judgment the weight of the positive evidence more than offsets the negative evidence.

Upon changes in facts and circumstances, we may conclude that certain deferred tax assets for which no valuation allowance is currently recorded may not be realizable in future periods, resulting in a charge to income. Existing valuation allowances are re-examined under the same standards of positive and negative evidence. If it is determined that it is more likely than not that a deferred tax asset will be realized, the appropriate amount of the valuation allowance, if any, is released, in the period this determination is made.

During fiscal 2023, after considering all available evidence, we released the full valuation allowance on the temporary items and tax attributes of (i) Aleris Aluminum (Zhenjiang) Co. Ltd., resulting in a benefit of \$29 million, and (ii) the legacy Aleris US entities in certain separate filer states and unitary filer states that require combined or separate reporting, resulting in a benefit of \$10 million. As of March 31, 2023, the Company concluded that valuation allowances totaling \$711 million were still required against its deferred tax assets comprised of the following:

- \$511 million of the valuation allowance relates to loss carryforwards in Canada and certain foreign jurisdictions, including \$54 million related to loss carryforwards in U.S. states;
- \$79 million relates to New York tax credit carryforwards;
- \$34 million relates to tax credit carryforwards in Canada; and
- \$87 million of the valuation allowance relates to other deferred tax assets originating from temporary differences in Canada and certain foreign jurisdictions.

In determining these amounts, the Company considered the reversal of existing temporary differences as a source of taxable income. The ultimate realization of the remaining deferred tax assets is contingent on the Company's ability to generate future taxable income within the carryforward period and within the period in which the temporary differences become deductible. Due to the history of negative earnings in these jurisdictions and future projections of losses, the Company believes it is more likely than not the deferred tax assets will not be realized prior to expiration.

Through March 31, 2023, the Company recognized deferred tax assets related to loss carryforwards and other temporary items of approximately \$731 million. The Company determined that existing taxable temporary differences will reverse within the same period and jurisdiction and are of the same character as the deductible temporary items generating sufficient taxable income to support realization of \$590 million of these deferred tax assets. Realization of the remaining \$141 million of deferred tax assets is dependent on our ability to earn pre-tax income aggregating approximately \$604 million in those jurisdictions to realize those deferred tax assets. The realization of our deferred tax assets is not dependent on tax planning strategies.

By their nature, tax laws are often subject to interpretation. Further complicating matters is that in those cases where a tax position is open to interpretation, differences of opinion can result in differing conclusions as to the amount of tax benefits to be recognized under ASC 740, Income Taxes. We utilize a two-step approach for evaluating tax positions. Recognition (Step 1) occurs when we conclude that a tax position, based solely on its technical merits, is more likely than not to be sustained upon examination. Measurement (Step 2) is only addressed if Step 1 has been satisfied. Under Step 2, we measure the tax benefit as the largest amount of benefit, determined on a cumulative probability basis that is more likely than not to be realized upon ultimate settlement. Consequently, the level of evidence and documentation necessary to support a position prior to being given recognition and measurement within the financial statements is a matter of judgment that depends on all available evidence.

Assessment of Loss Contingencies

We have legal and other contingencies, including environmental liabilities, which could result in significant losses upon the ultimate resolution of such contingencies. Environmental liabilities that are not legal asset retirement obligations are accrued on an undiscounted basis when it is probable that a liability exists for past events.

We have provided for losses in situations where we have concluded that it is probable that a loss has been or will be incurred and the amount of the loss is reasonably estimable. A significant amount of judgment is involved in determining whether a loss is probable and reasonably estimable due to the uncertainty involved in determining the likelihood of future events and estimating the financial statement impact of such events. If further developments or resolution of a contingent matter are not consistent with our assumptions and judgments, we may need to recognize a significant charge in a future period related to an existing contingency.

RECENTLY ISSUED ACCOUNTING STANDARDS

See [Note 1 – Business and Summary of Significant Accounting Policies](#) to our accompanying consolidated financial statements for a full description of recent accounting pronouncements, if applicable, including the respective expected dates of adoption and expected effects on results of operations and financial condition.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA

Total Adjusted EBITDA presents the sum of the results of our four operating segments on a consolidated basis. We believe that total Adjusted EBITDA is an operating performance measure that measures operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. In reviewing our corporate operating results, we also believe it is important to review the aggregate consolidated performance of all of our segments on the same basis we review the performance of each of our regions and to draw comparisons between periods based on the same measure of consolidated performance.

Management believes investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations from one period to the next and would ordinarily add back items that are not part of normal day-to-day operations of our business. By providing total Adjusted EBITDA, together with reconciliations, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing strategic initiatives.

However, total Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP, and our total Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Total Adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. For example, total Adjusted EBITDA:

- does not reflect the Company's cash expenditures or requirements for capital expenditures or capital commitments;
- does not reflect changes in, or cash requirements for, the Company's working capital needs; and
- does not reflect any costs related to the current or future replacement of assets being depreciated and amortized.

We also use total Adjusted EBITDA:

- as a measure of operating performance to assist us in comparing our operating performance on a consistent basis because it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budgets and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- as a basis to calculate incentive compensation payments for our key employees.

Adjusted EBITDA per tonne is calculated by dividing Adjusted EBITDA by aluminum rolled product shipments (in tonnes) for the corresponding period, both on a consolidated basis and at a segment level. The term "aluminum rolled products" is synonymous with the terms "flat-rolled products" and "FRP," which are commonly used by manufacturers and third-party analysts in our industry. Shipment amounts also include tolling shipments. All tonnages are stated in metric tonnes. One metric tonne is equivalent to 2,204.6 pounds. One kt is 1,000 metric tonnes.

Management believes Adjusted EBITDA per tonne is relevant to investors as it provides a measure of aluminum rolled product shipments to third parties rather than aluminum rolled product shipments as well as certain other non-rolled product shipments, primarily scrap, UBCs, ingots, billets, and primary remelt. This is useful to investors because the incremental impact of non-rolled products shipments on our Adjusted EBITDA is marginal since the price of these products is generally set to cover the costs of raw materials not utilized in manufacturing products sold to beverage packaging customers, specialties and aerospace customers in our regions, and these non-rolled products are not part of our core operating business.

Please see [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#) for our definition of Adjusted EBITDA. Under ASC 280, Adjusted EBITDA is our measure of segment profitability and financial performance of our operating segments, and when used in this context, the term Adjusted EBITDA is a financial measure prepared in accordance with U.S. GAAP. Adjusted EBITDA reported for the Company on a consolidated basis is a non-U.S. GAAP financial measure. Prior to the three months ended June 30, 2022, we also utilized the term Segment Income to refer to Adjusted EBITDA. Both terms have the same definition and there is no difference in the composition or calculation of Adjusted EBITDA for the periods presented and Segment Income previously reported.

Adjusted Free Cash Flow

Adjusted free cash flow consists of: (a) net cash provided by (used in) operating activities - continuing operations, (b) plus net cash provided by (used in) investing activities - continuing operations, (c) plus net cash provided by (used in) operating activities - discontinued operations, (d) plus net cash provided by (used in) investing activities - discontinued operations, (e) plus cash used in the acquisition of assets under a finance lease, (f) plus cash used in the acquisition of business, net of cash and restricted cash acquired, (g) plus accrued merger consideration, (h) less proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging, and (i) less proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations. Management believes adjusted free cash flow is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, adjusted free cash flow does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of adjusted free cash flow. Our method of calculating adjusted free cash flow may not be consistent with that of other companies.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in metal prices (primarily aluminum, copper, zinc, and local market premiums), energy prices (electricity, natural gas, and diesel fuel), foreign currency exchange rates, and interest rates that could impact our results of operations and financial condition. We partially manage our exposure to energy prices by entering into fixed forward purchase contracts with energy providers, predominantly in Europe. We generally apply the normal purchase and normal sale scope exception to these contracts and do not record the contracts at fair value. These energy supply contracts are not derivatives but function as a risk management tool for fluctuating energy prices. We manage our exposure to these and other market risks through regular operating and financing activities and derivative financial instruments. We use derivative financial instruments as risk management tools only, and not for speculative purposes.

By their nature, all derivative financial instruments involve risk, including the credit risk of non-performance by counterparties. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. Our maximum potential loss may exceed the amount recognized in the accompanying March 31, 2023 consolidated balance sheet.

The decision of whether and when to execute derivative instruments, along with the duration of the instrument, can vary from period to period depending on market conditions and the relative costs of the instruments. The duration is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

The market risks we are exposed to as part of our ongoing business operations are materially consistent with our risk exposures in the prior year, as we have not entered into any new material hedging programs.

Commodity Price Risks

We have commodity price risk with respect to purchases of certain raw materials including aluminum, copper, zinc, electricity, natural gas, and transport fuel.

Metal

A significant amount of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of our flat-rolled products have a price structure with three components: (1) a base aluminum price quoted off the LME; (2) a LMP; and (3) a "conversion premium" to produce the rolled product which reflects, among other factors, the competitive market conditions for that product. Base aluminum prices are typically driven by macroeconomic factors and global supply and demand for aluminum. Local market premiums tend to vary based on the supply and demand for metal in a particular region and associated transportation costs.

Increases or decreases in the average price of aluminum based on the LME directly impact net sales, cost of goods sold (exclusive of depreciation and amortization), and working capital. The timing of these impacts varies based on contractual arrangements with customers and metal suppliers in each region. These timing impacts are referred to as metal price lag. Metal price lag exists due to: (i) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs, and (ii) the period of time between the pricing of our purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to our customers.

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag related to base aluminum price. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers. We also purchase forward LME aluminum contracts simultaneous with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the purchase price of metal with the sales price of metal.

Sensitivities

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of March 31, 2023, given a 10% change in prices. Direction of the change in price corresponds with the direction that would cause a negative impact on the fair value of these derivative instruments.

<i>\$ in millions</i>	Change in Price	Change in Fair Value
Aluminum	10 %	\$ (200)
Copper	(10)	—
Zinc	(10)	(1)

Energy

We use several sources of energy in the manufacturing and delivery of our aluminum rolled products. For fiscal 2023, natural gas and electricity represented approximately 98% of our energy consumption by cost. We also use fuel oil and transport fuel. The majority of energy usage occurs at our casting centers and during the hot rolling of aluminum.

We purchase our natural gas and diesel fuel on the open market, subjecting us to market price fluctuations. We seek to stabilize our future exposure to natural gas and diesel fuel prices through the use of forward purchase contracts.

A portion of our electricity requirements are purchased pursuant to long-term contracts in the local regions in which we operate. A number of our facilities are located in regions with regulated prices, which affords relatively stable costs.

Fluctuating energy costs worldwide, due to the changes in supply and demand, and international and geopolitical events, expose us to earnings volatility as changes in such costs cannot be immediately recovered under existing contracts and sales agreements, and may only be mitigated in future periods under future pricing arrangements.

Sensitivities

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of March 31, 2023, given a 10% decline in spot prices for energy contracts.

<i>\$ in millions</i>	Change in Price	Change in Fair Value
Natural Gas	(10)	\$ (2)
Diesel Fuel	(10)	(1)

Foreign Currency Exchange Risks

Exchange rate movements have an impact on our operating results. In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the euro strengthens, but are adversely affected as the euro weakens. For our Swiss operations, where operating costs are incurred primarily in the Swiss franc and a large portion of revenues are denominated in the euro, we benefit as the franc weakens but are adversely affected as the franc strengthens. In South Korea, where we have local currency operating costs and U.S. dollar denominated selling prices for exports, we benefit as the won weakens but are adversely affected as the won strengthens. In Brazil, where we have predominately U.S. dollar selling prices and local currency manufacturing costs, we benefit as the real weakens, but are adversely affected as the real strengthens.

It is our policy to minimize exposures from non-functional currency denominated transactions within each of our operating segments. We use foreign exchange forward contracts, options and cross-currency swaps to manage exposure arising from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations, which include forecasted net sales, forecasted purchase commitments, capital expenditures, and net investment in foreign subsidiaries. Our most significant non-U.S. dollar functional currency operations have the euro and the Korean won as their functional currencies, respectively. Our Brazilian operations are U.S. dollar functional.

We also face translation risks related to the changes in foreign currency exchange rates which are generally not hedged. Amounts invested in these foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Any resulting translation adjustments are recorded as a component of accumulated other comprehensive loss on our consolidated balance sheets. Net sales and expenses at these non-U.S. dollar functional currency entities are translated into varying amounts of U.S. dollars depending upon whether the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may either positively or negatively affect our net sales and expenses as expressed in U.S. dollars.

Any negative impact of currency movements on the currency contracts we have entered into to hedge foreign currency commitments to purchase or sell goods and services would be offset by an approximately equal and opposite favorable exchange impact on the commitments being hedged. For a discussion of accounting policies and other information relating to currency contracts, see [Note 1 – Business and Summary of Significant Accounting Policies](#) and [Note 17 – Financial Instruments and Commodity Contracts](#) to our accompanying consolidated financial statements.

Sensitivities

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of March 31, 2023, given a 10% change in rates. Direction of the change in exchange rate corresponds with the direction that would cause the change in exchange rate to negatively impact the fair value of these derivative instruments.

<i>\$ in millions</i>	Change in Exchange Rate	Change in Fair Value
Currency measured against the U.S. dollar		
Brazilian real	(10)% \$	(13)
Euro	(10)	(22)
Korean won	(10)	(53)
Canadian dollar	(10)	(4)
British pound	(10)	(27)
Swiss franc	(10)	(45)
Chinese yuan	(10)	—

Interest Rate Risks

From time-to-time, we use interest rate swaps to manage our exposure to changes in benchmark interest rates which impact our variable-rate debt.

The interest rate paid on our floating rate Term Loans, due January 2025 is LIBOR (5.16%) plus a spread of 1.75%. As of March 31, 2023, the stated interest rate was 6.91%. As of March 31, 2023, a 100 basis point increase or decrease in LIBOR interest rates would have had a \$8 million impact on our annual pre-tax income.

The interest rate paid on our floating rate Term Loans, due March 2028 is LIBOR (5.16%) plus a spread of 2.00%. As of March 31, 2023, the stated interest rate was 7.16%. As of March 31, 2023, a 100 basis point increase or decrease in LIBOR interest rates would have had a \$5 million impact on our annual pre-tax income.

On March 31, 2023, Novelis amended the Term Loan Facility, primarily to modify the reference rate used to determine interest from LIBOR to SOFR. Term loans under the Term Loan Facility will, beginning with the interest period commencing June 30, 2023, accrue interest at SOFR plus a 0.15% credit spread adjustment plus a spread of 1.75% in the case of the Term Loans due January 2025, or a spread of 2.00% in the case of the Term Loans due March 2028. As of March 31, 2023, the SOFR rate was 4.91%.

Item 8. Financial Statements and Supplementary Data.

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Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2023. In making this assessment, management used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "*Internal Control — Integrated Framework (2013)*." Based on its assessment, management has concluded that, as of March 31, 2023, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ Steven Fisher

Steven Fisher
President and Chief Executive Officer
May 10, 2023

/s/ Devinder Ahuja

Devinder Ahuja
Executive Vice President and Chief Financial Officer
May 10, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Novelis Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Novelis Inc. and its subsidiaries (the "Company") as of March 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income (loss), shareholder's equity, and cash flows for each of the three years in the period ended March 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Report of Independent Registered Public Accounting Firm

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment

As described in Notes 1 and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was \$1,076 million as of March 31, 2023. Management conducts an impairment test as of the last day of March of each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. As disclosed by management, potential impairment is identified by comparing the estimated fair value of each reporting unit to its carrying amount. If the carrying value exceeds the fair value, management records an impairment charge in an amount equal to that excess. Management estimates fair value based on a weighted average of the value indication from the market and income approaches. The determination of fair value using the market and income approaches requires the use of management's significant assumptions related to selection of market multiples and control premium for the market approach and sales volumes, conversion premiums, capital spending, working capital requirements, long-term growth rate, and the discount rate for the income approach.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to market multiples and control premium for the market approach and sales volumes, conversion premiums, capital spending, working capital requirements, long-term growth rate, and the discount rate for the income approach; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Company's reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the reporting units; (ii) evaluating the appropriateness of the income and market approaches and the weighting of the approaches; (iii) testing the completeness and accuracy of underlying data used in the approaches; and (iv) evaluating the reasonableness of the significant assumptions used by management in the income and market approaches. Evaluating management's assumptions related to sales volumes, conversion premiums, working capital requirements, and capital spending involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the income and market approaches, the weighting of the approaches, and evaluating the reasonableness of the discount rate, control premium, working capital requirements, long-term growth rate, and market multiples assumptions.

/s/ PricewaterhouseCoopers LLP

Atlanta, Georgia
May 10, 2023

We have served as the Company's auditor since 2006.

Novelis Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net sales	\$ 18,486	\$ 17,149	\$ 12,276
Cost of goods sold (exclusive of depreciation and amortization)	15,996	14,354	9,980
Selling, general and administrative expenses	679	631	551
Depreciation and amortization	540	550	543
Interest expense and amortization of debt issuance costs	274	227	267
Research and development expenses	95	92	83
Loss on extinguishment of debt, net	—	64	14
Restructuring and impairment, net	33	1	29
Equity in net income of non-consolidated affiliates	(16)	(8)	(1)
Business acquisition and other related costs	—	—	11
Other expenses (income), net	79	(61)	103
	17,680	15,850	11,580
Income from continuing operations before income tax provision	806	1,299	696
Income tax provision	147	281	238
Net income from continuing operations	659	1,018	458
Loss from discontinued operations, net of tax	(2)	(63)	(51)
Loss on sale of discontinued operations, net of tax	—	—	(170)
Net loss from discontinued operations	(2)	(63)	(221)
Net income	657	955	237
Net (loss) income attributable to noncontrolling interests	(1)	1	1
Net income attributable to our common shareholder	\$ 658	\$ 954	\$ 236

See accompanying notes to the consolidated financial statements.

Novelis Inc.
CONSOLIDATED BALANCE SHEETS

<i>in millions, except number of shares</i>	March 31,	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,498	\$ 1,070
Accounts receivable, net		
— third parties (net of allowance for credit losses of \$5 and \$6 as of March 31, 2023, and March 31, 2022, respectively)	1,751	2,590
— related parties	156	222
Inventories	2,729	3,038
Prepaid expenses and other current assets	178	195
Fair value of derivative instruments	145	377
Assets held for sale	3	5
Current assets of discontinued operations	—	6
Total current assets	6,460	7,503
Property, plant and equipment, net	4,900	4,624
Goodwill	1,076	1,081
Intangible assets, net	589	623
Investment in and advances to non-consolidated affiliates	877	832
Deferred income tax assets	166	158
Other long-term assets		
— third parties	293	274
— related parties	3	1
Total assets	\$ 14,364	\$ 15,096
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 88	\$ 26
Short-term borrowings	671	529
Accounts payable		
— third parties	3,100	3,869
— related parties	277	320
Fair value of derivative instruments	130	959
Accrued expenses and other current liabilities	633	774
Current liabilities of discontinued operations	—	21
Total current liabilities	4,899	6,498
Long-term debt, net of current portion	4,881	4,967
Deferred income tax liabilities	288	158
Accrued postretirement benefits	554	669
Other long-term liabilities	288	295
Total liabilities	10,910	12,587
Commitments and contingencies		
Shareholder's equity:		
Common stock, no par value; Unlimited number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid-in capital	1,208	1,308
Retained earnings	2,472	1,814
Accumulated other comprehensive loss	(238)	(620)
Total equity of our common shareholder	3,442	2,502
Noncontrolling interests	12	7
Total equity	3,454	2,509
Total liabilities and equity	\$ 14,364	\$ 15,096

See accompanying notes to the consolidated financial statements. Refer to [Note 9— Consolidation](#) for information on our consolidated VIE.

Novelis Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net income	\$ 657	\$ 955	\$ 237
Other comprehensive income (loss):			
Currency translation adjustment	(127)	(71)	214
Net change in fair value of effective portion of cash flow hedges	580	(402)	(144)
Net change in pension and other benefits	119	193	243
Other comprehensive income (loss) before income tax effect	572	(280)	313
Income tax provision (benefit) related to items of other comprehensive income	184	(48)	25
Other comprehensive income (loss), net of tax	388	(232)	288
Comprehensive income	1,045	723	525
Comprehensive income attributable to noncontrolling interest, net of tax	5	23	35
Comprehensive income attributable to our common shareholder	\$ 1,040	\$ 700	\$ 490

See accompanying notes to the consolidated financial statements.

Novelis Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
OPERATING ACTIVITIES			
Net income	\$ 657	\$ 955	\$ 237
Net loss from discontinued operations	(2)	(63)	(221)
Net income from continuing operations	\$ 659	\$ 1,018	\$ 458
Adjustments to determine net cash provided by operating activities:			
Depreciation and amortization	\$ 540	\$ 550	\$ 543
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(28)	79	1
Gain on sale of business	—	(15)	—
Loss on sale of assets, net	1	8	1
Impairment charges	23	—	1
Loss on extinguishment of debt	—	64	14
Deferred income taxes	(45)	27	49
Equity in net income of non-consolidated affiliates	(16)	(8)	(1)
Gain on foreign exchange remeasurement of debt	(4)	(10)	(3)
Amortization of debt issuance costs and carrying value adjustments	16	18	28
Other, net	(2)	4	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):			
Accounts receivable	783	(1,030)	(323)
Inventories	235	(1,184)	(94)
Accounts payable	(759)	1,540	569
Other assets	3	(6)	91
Other liabilities	(186)	77	(125)
Net cash provided by operating activities - continuing operations	1,220	1,132	1,209
Net cash (used in) provided by operating activities - discontinued operations	(12)	11	(82)
Net cash provided by operating activities	\$ 1,208	\$ 1,143	\$ 1,127
INVESTING ACTIVITIES			
Capital expenditures	\$ (786)	\$ (446)	\$ (485)
Acquisition of business and other investments, net of cash and restricted cash acquired	(7)	—	(2,614)
Proceeds from sales of assets, third party, net of transaction fees	6	1	4
Proceeds from the sale of a business	3	9	—
(Outflows) proceeds from investment in and advances to non-consolidated affiliates, net	(17)	—	9
Proceeds (outflows) from settlement of derivative instruments, net	7	(53)	(5)
Other	19	16	12
Net cash used in investing activities - continuing operations	(775)	(473)	(3,079)
Net cash provided by investing activities - discontinued operations	—	—	357
Net cash used in investing activities	\$ (775)	\$ (473)	\$ (2,722)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term and short-term borrowings	\$ 50	\$ 1,985	\$ 3,042
Principal payments of long-term and short-term borrowings	(390)	(2,406)	(2,301)
Revolving credit facilities and other, net	471	(69)	(506)
Debt issuance costs	(7)	(25)	(44)
Contingent consideration paid in acquisition of business	—	—	(9)
Return of capital to our common shareholder	(100)	(100)	—
Net cash provided by (used in) financing activities - continuing operations	24	(615)	182
Net cash used in financing activities - discontinued operations	—	—	(2)
Net cash provided by (used in) financing activities	\$ 24	\$ (615)	\$ 180
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 457	\$ 55	\$ (1,415)
Effect of exchange rate changes on cash	(30)	2	40
Cash, cash equivalents and restricted cash — beginning of period	1,084	1,027	2,402
Cash, cash equivalents and restricted cash — end of period	\$ 1,511	\$ 1,084	\$ 1,027
Cash and cash equivalents	\$ 1,498	\$ 1,070	\$ 998
Restricted cash (included in other long-term assets)	13	14	15
Restricted cash (included in prepaid expenses and other current assets)	—	—	14
Cash, cash equivalents and restricted cash — end of period	\$ 1,511	\$ 1,084	\$ 1,027
Supplemental Disclosures:			
Interest paid	\$ 258	\$ 210	\$ 240
Income taxes paid	184	251	169
Accrued capital expenditures as of March 31	171	84	77

See accompanying notes to the consolidated financial statements.

Novelis Inc.
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

	Equity of our Common Shareholder						
	Common Stock						
<i>in millions, except number of shares</i>	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
Balance as of March 31, 2020	1,000	\$ —	\$ 1,408	\$ 624	\$ (620)	\$ (51)	\$ 1,361
Net income attributable to our common shareholder	—	—	—	236	—	—	236
Net income attributable to noncontrolling interests	—	—	—	—	—	1	1
Currency translation adjustment, included in other comprehensive income (loss)	—	—	—	—	214	—	214
Change in fair value of effective portion of hedges, net of tax benefit of \$37, included in other comprehensive income (loss)	—	—	—	—	(107)	—	(107)
Change in pension and other benefits, net of tax provision of \$62, included in other comprehensive income (loss)	—	—	—	—	147	34	181
Balance as of March 31, 2021	1,000	—	1,408	860	(366)	(16)	1,886
Net income attributable to our common shareholder	—	—	—	954	—	—	954
Net income attributable to noncontrolling interests	—	—	—	—	—	1	1
Currency translation adjustment, included in other comprehensive income (loss)	—	—	—	—	(71)	—	(71)
Change in fair value of effective portion of cash flow hedges, net of tax benefit of \$100, included in other comprehensive income (loss)	—	—	—	—	(302)	—	(302)
Change in pension and other benefits, net of tax provision of \$52, included in other comprehensive income (loss)	—	—	—	—	119	22	141
Return of capital to our common shareholder	—	—	(100)	—	—	—	(100)
Balance as of March 31, 2022	1,000	—	1,308	1,814	(620)	7	2,509
Net income attributable to our common shareholder	—	—	—	658	—	—	658
Net income attributable to noncontrolling interests	—	—	—	—	—	(1)	(1)
Currency translation adjustment, included in other comprehensive income (loss)	—	—	—	—	(127)	—	(127)
Change in fair value of effective portion of cash flow hedges, net of tax provision of \$150, included in other comprehensive income (loss)	—	—	—	—	430	—	430
Change in pension and other benefits, net of tax provision of \$34 , included in other comprehensive income (loss)	—	—	—	—	79	6	85
Return of capital to our common shareholder	—	—	(100)	—	—	—	(100)
Balance as of March 31, 2023	1,000	\$ —	\$ 1,208	\$ 2,472	\$ (238)	\$ 12	\$ 3,454

See accompanying notes to the consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In this Form 10-K, references herein to "Novelis," the "Company," "we," "our," or "us" refer to Novelis Inc. and its subsidiaries unless the context specifically indicates otherwise. References herein to "Hindalco" refer to Hindalco Industries Limited. Hindalco acquired Novelis in May 2007. Effective September 1, 2022, Novelis Inc. and AV Metals, Inc. (which, prior to such date, was our sole shareholder and a wholly owned subsidiary of AV Minerals (Netherlands) N.V.) completed a plan of arrangement, pursuant to which AV Metals, Inc. merged with and into Novelis Inc., with Novelis Inc. surviving the merger. As of the effectiveness of the plan of arrangement, all of the outstanding shares of Novelis are owned directly by AV Minerals (Netherlands) N.V. and indirectly by Hindalco. Prior to the effectiveness of the plan of arrangement, AV Metals, Inc. was a holding company, with its assets being comprised solely of its investment in Novelis, and without any operations. The plan of arrangement was a combination of entities under common control and resulted in a change in the reporting entity. The opening balance of additional paid-in capital has been increased and that of retained earnings reduced by \$4 million in the earliest period presented. Unless otherwise specified, the period referenced is the current fiscal year.

All tonnages are stated in metric tonnes. One metric tonne is equivalent to 2,204.6 pounds. One kt is 1,000 metric tonnes.

Organization and Description of Business

We produce aluminum sheet and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, aerospace, electronics, architectural, and industrial product markets. As of March 31, 2023, we had manufacturing operations in nine countries on four continents: North America, South America, Asia, and Europe, through 33 operating facilities, which may include any combination of hot or cold rolling, finishing, casting, or recycling capabilities. We have recycling operations in 15 of our operating facilities to recycle post-consumer aluminum, such as used-beverage cans, and post-industrial aluminum, such as class scrap.

Consolidation Policy

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and include the assets, liabilities, revenues, and expenses of all wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, and entities in which we have a controlling financial interest or are deemed to be the primary beneficiary. We eliminate intercompany accounts and transactions from our consolidated financial statements.

We use the equity method to account for our investments in entities that we do not control but have the ability to exercise significant influence over operating and financial policies. Consolidated net income attributable to our common shareholder includes our share of net income (loss) of these entities. The difference between consolidation and the equity method impacts certain of our financial ratios because of the presentation of the detailed line items reported in the consolidated financial statements for consolidated entities, compared to a two-line presentation of investment in and advances to non-consolidated affiliates and equity in net income of non-consolidated affiliates.

Use of Estimates and Assumptions

The preparation of our consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our consolidated financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

For more information regarding our use of estimates in the determination of fair values of assets acquired and liabilities assumed in the acquisition of Aleris, see [Note 2 – Business Combination](#).

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Risks & Uncertainties resulting from Inflation, COVID-19, and Geopolitical Instability

Fiscal 2023 was marked by global economic uncertainty, capital markets disruption, and supply chain interruptions, which have been impacted by inflationary cost pressures, ongoing recovery from the COVID-19 pandemic, and geopolitical instability due to the military conflict between Russia and Ukraine. We have experienced increased inflationary cost pressures in fiscal 2023 resulting from global supply chain disruptions impacting the availability and price of materials and services including energy, freight, coatings, and alloys, such as magnesium. Geopolitical instability exacerbated inflationary cost pressures, which are expected to continue for the foreseeable future. We have not experienced significant direct impacts from the Russia-Ukraine conflict, as we do not have operations nor significant sales in either Russia or Ukraine. However, we have experienced indirect impacts, as the conflict has driven up energy prices globally, beginning in the fourth quarter of fiscal 2022, and we expect these costs will remain elevated until energy prices stabilize. To date, our operations have not been materially impacted by labor shortages, and we remain able to procure the necessary raw materials, parts, and equipment due to our diverse, global supplier network.

While much of our customer demand and shipments have recovered in the majority of our end markets from the impact of the COVID-19 pandemic, we cannot predict the overall extent of the impact of any resurgence of COVID-19, its variants or any future pandemic on our operating results, cash flows, liquidity, and financial condition, which will depend on certain developments, including the duration and spread of such outbreak and its impact on our customers, employees, suppliers, and other partners.

We believe we are positioned to maintain production levels necessary to service our customers in the near term. However, we cannot predict how long energy and other operating input prices will remain inflated, supply chains will continue to experience disruptions, or potential future financial impacts. We have been able to mitigate a portion of the higher inflationary cost impact through a combination of hedging, passing through a portion of higher costs to customers, favorable pricing environments, and increased recycled inputs. There is no assurance that we will continue to be able to mitigate these higher costs in the future.

The overall extent of the impact of these factors on our operating results, cash flows, liquidity, and financial condition will depend on certain developments, including the duration of the current inflationary environment, supply chain disruptions, end market demand, and the Russia-Ukraine conflict. Although we have made our best estimates based on the current information, the effects of these factors on our business may result in future changes to our estimates and assumptions based on their duration. Actual results could materially differ from the estimates and assumptions developed by management. If so, we may be subject to future impairment charges as well as changes to recorded reserves and valuations.

Laws and regulations

We operate in an industry that is subject to a broad range of environmental, health and safety laws and regulations in the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental, health and safety protection standards and permitting requirements regarding, among other things, air emissions; wastewater discharges; the handling, storage, and disposal of hazardous substances and wastes; the remediation of contaminated sites and restoration of natural resources; carbon and other greenhouse gas emissions; and employee health and safety. Some environmental laws, such as the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, also known as CERCLA or Superfund, and comparable state laws impose joint and several liability for the cost of environmental remediation, natural resource damages, third-party claims, and other expenses, without regard to the fault or the legality of the original conduct.

The costs of complying with these laws and regulations, including participation in assessments and remediation of contaminated sites and installation of pollution control facilities, have been, and in the future could be, significant. In addition, these laws and regulations may also result in substantial environmental liabilities associated with divested assets, third-party locations, and past activities. In certain instances, these costs and liabilities, as well as related actions to be taken by us, could be accelerated or increased if we were to close, divest of, or change the principal use of certain facilities with respect to which we may have environmental liabilities or remediation obligations. Currently, we are involved in a number of compliance efforts, remediation activities, and legal proceedings concerning environmental matters, including certain activities and proceedings arising under U.S. Superfund and comparable laws in other jurisdictions where we have operations.

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We have established liabilities for environmental remediation where appropriate. However, the cost of addressing environmental matters (including the timing of any charges related thereto) cannot be predicted with certainty, and these liabilities may not ultimately be adequate, especially in light of potential changes in environmental conditions, changing interpretations of laws and regulations by regulators and courts, the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out additional compliance on certain sites not initially included in remediation in progress, our potential liability to remediate sites for which provisions have not been previously established, and the adoption of more stringent environmental laws. Such future developments could result in increased environmental costs and liabilities and could require significant capital expenditures, any of which could have a material adverse effect on our financial position, results of operations, or cash flows. Furthermore, the failure to comply with our obligations under applicable environmental, health and safety laws and regulations could subject us to administrative, civil, or criminal penalties, obligations to pay damages or other costs, and injunctions or other orders, including orders to cease operations. In addition, the presence of environmental contamination at our properties could adversely affect our ability to sell a property, receive full value for a property, or use a property as collateral for a loan.

Some of our current and potential operations are located or could be located in or near communities that may regard such operations as having a detrimental effect on their social and economic circumstances. Environmental laws typically provide for participation in permitting decisions, site remediation decisions and other matters. Concern about environmental justice issues may affect our operations. Should such community objections be presented to government officials, the consequences of such a development may have a material adverse impact upon the profitability or, in extreme cases, the viability of an operation. In addition, such developments may adversely affect our ability to expand or enter into new operations in such location or elsewhere and may also have an effect on the cost of our environmental remediation projects.

We use a variety of hazardous materials and chemicals in our rolling processes and in connection with maintenance work on our manufacturing facilities. Because of the nature of these substances or related residues, we may be liable for certain costs, including, among others, costs for health-related claims or removal or re-treatment of such substances. Certain of our current and former facilities incorporated asbestos-containing materials, a hazardous substance that has been the subject of health-related claims for occupation exposure. In addition, although we have developed environmental, health and safety programs for our employees, including measures to reduce employee exposure to hazardous substances, and conduct regular assessments at our facilities, we are currently, and in the future may be, involved in claims and litigation filed on behalf of persons alleging injury predominantly as a result of occupational exposure to substances at our current or former facilities. It is not possible to predict the ultimate outcome of these claims and lawsuits due to the unpredictable nature of personal injury litigation. If these claims and lawsuits, individually or in the aggregate, were finally resolved against us, our financial position, results of operations, and cash flows could be adversely affected.

Materials and labor

In the aluminum rolled products industry, our raw materials are subject to continuous price volatility. We may not be able to pass on the entire cost of the increases to our customers or offset fully the effects of higher raw material costs through productivity improvements, which may cause our profitability to decline. In addition, there is a potential time lag between changes in prices under our purchase contracts and the point when we can implement a corresponding change under our sales contracts with our customers. As a result, we could be exposed to fluctuations in raw materials prices which could have a material adverse effect on our financial position, results of operations, and cash flows. Significant price increases may result in our customers substituting other materials, such as plastic or glass, for aluminum or switching to another aluminum rolled products producer, which could have a material adverse effect on our financial position, results of operations, and cash flows.

We consume substantial amounts of energy in our rolling operations and our cast house operations. The factors that affect our energy costs and supply reliability tend to be specific to each of our facilities. A number of factors could materially adversely affect our energy position including, but not limited to increases in the cost of natural gas; increases in the cost of supplied electricity or fuel oil related to transportation; interruptions in energy supply due to equipment failure or other causes; and the inability to extend energy supply contracts upon expiration on favorable terms. A significant increase in energy costs or disruption of energy supplies or supply arrangements could have a material adverse effect on our financial position, results of operations, and cash flows.

A substantial portion of our employees are represented by labor unions under a large number of collective bargaining agreements with varying durations and expiration dates. Although we have not experienced a material impact to our operations from a strike or work stoppage in recent years, we may not be successful in preventing such an event from occurring in the future at one or more of our manufacturing facilities. In addition, we may not be able to satisfactorily renegotiate our collective bargaining agreements when they expire. Any work stoppages or material changes in the terms of our labor agreements could have an adverse impact on our financial condition.

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Geographic markets

We are, and will continue to be, subject to financial, political, economic, and business risks in connection with our global operations. We have made investments and carry on production activities in various emerging markets, including China, Brazil, and South Korea, and we market our products in these countries, as well as certain other countries in Asia, Africa, and the Middle East. While we anticipate higher growth or attractive production opportunities from these emerging markets, they also present a higher degree of risk than more developed markets. In addition to the business risks inherent in developing and servicing new markets, economic conditions may be more volatile, legal and regulatory systems may be less developed and predictable, and the possibility of various types of adverse governmental action may be more pronounced. In addition, inflation, fluctuations in currency and interest rates, competitive factors, civil unrest, and labor problems could affect our revenues, expenses, and results of operations. Our operations could also be adversely affected by acts of war (including the Russia-Ukraine conflict), terrorism, or the threat of any of these events as well as government actions such as controls on imports, exports and prices, tariffs, new forms of taxation, changes in fiscal regimes, and increased government regulation in the countries in which we operate or service customers. Unexpected or uncontrollable events or circumstances in any of these markets could have a material adverse effect on our financial position, results of operations, and cash flows.

Other risks and uncertainties

In addition, refer to [Note 17 – Financial Instruments and Commodity Contracts](#), [Note 19 – Fair Value Measurements](#), and [Note 22 – Commitments and Contingencies](#) for a discussion of financial instruments and commitments and contingencies.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Certain of our contracts contain take-or-pay clauses which allow us to recover an agreed upon penalty if a buyer does not purchase contractual minimums as defined in the underlying contract within a set timeframe, which is generally within one year. Additionally, certain of our contracts may contain incentive payments to our customers that are deferred and amortized as a reduction to the amount of revenue recorded on a straight-line basis over the term of these contracts. During fiscal 2023 and fiscal 2021, we recognized \$37 million and \$38 million, respectively, in net sales associated with these customer contractual obligations. During fiscal 2022, amounts recognized in net sales associated with these customer contractual obligations were not material.

We disaggregate revenue from contracts with customers on a geographic basis. This disaggregation also achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of net sales and cash flows are affected by economic factors. We manage our activities on the basis of geographical regions and are organized under four operating segments: North America, South America, Asia, and Europe. See [Note 23 – Segment, Geographical Area, Major Customer and Major Supplier Information](#) for further information about our segment revenue.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

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Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Research and Development Expenses

We incur costs in connection with R&D programs that are expected to contribute to future earnings and charge such costs against income as incurred. Research and development expenses consist primarily of salaries and administrative costs.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our consolidated statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"). Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate. See [Note 4 – Restructuring and Impairment](#) for further discussion.

Business Acquisition and Other Related Costs

Business acquisition and other related costs includes costs associated with the acquisition of Aleris, including legal and professional fees associated with the transaction. See [Note 2 – Business Combination](#) for further details about the transaction.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Restricted Cash

Restricted cash primarily relates to cash deposits for employee benefits and is disclosed on the consolidated statement of cash flows. Restricted cash is included in prepaid expenses and other current assets and other long-term assets on the consolidated balance sheets.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses. See [Note 5 – Accounts Receivable](#) for further information.

Inventories

We carry our inventories at the lower of their cost or net realizable value, reduced by obsolete and excess inventory. We use the average cost method to determine cost. Included in inventories are stores inventories, which are carried at average cost. See [Note 6 – Inventories](#) for further discussion.

Derivative Instruments

We hold derivatives for risk management purposes rather than for trading. We use derivatives to mitigate uncertainty and volatility caused by underlying exposures to metal prices, foreign exchange rates, and energy prices. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

We may be exposed to losses in the future if counterparties to our derivative contracts fail to perform. We are satisfied that the risk of such non-performance is remote due to our monitoring of credit exposures. Additionally, we enter into master netting agreements with contractual provisions that allow for netting of counterparty positions in case of default, and we do not face credit contingent provisions that would result in the posting of collateral.

In accordance with ASC 815, Derivatives and Hedging, for cash flow hedges we recognize and defer the entire periodic change in the fair value of the hedging instrument in other comprehensive income (loss). The amounts recorded in other comprehensive income (loss) are subsequently reclassified to earnings in the same line item impacted by the hedged item when the hedged item affects earnings.

For derivatives designated as cash flow hedges or net investment hedges, we assess hedge effectiveness by formally evaluating the high correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is included in other comprehensive income (loss) and reclassified to earnings in the period in which earnings are impacted by the hedged items or in the period that the transaction becomes probable of not occurring. Gains or losses representing reclassifications of other comprehensive income (loss) to earnings are recognized in the same line item that is impacted by the underlying exposure. We exclude the time value component of foreign currency and aluminum price risk hedges when measuring and assessing effectiveness to align our accounting policy with risk management objectives when it is necessary. If at any time during the life of a cash flow hedge relationship we determine that the relationship is no longer effective, the derivative will no longer be designated as a cash flow hedge and future gains or losses on the derivative will be recognized in other expenses (income), net.

For derivatives designated as fair value hedges, we assess hedge effectiveness by formally evaluating the high correlation of changes in the fair value of the hedged item and the derivative hedging instrument. The changes in the fair values of the underlying hedged items are reported in prepaid expenses and other current assets, other long-term assets, accrued expenses and other current liabilities, and other long-term liabilities in the consolidated balance sheets. Changes in the fair values of these derivatives and underlying hedged items generally offset, and the entire change in the fair value of derivatives is recorded in the consolidated statement of operations line item consistent with the underlying hedged item.

If no hedging relationship is designated, gains or losses are recognized in other expenses (income), net in our consolidated statements of operations.

Consistent with the cash flows from the underlying risk exposure, we classify cash settlement amounts associated with designated derivatives as part of either operating or investing activities in the consolidated statements of cash flows. If no hedging relationship is designated, we classify cash settlement amounts as part of investing activities in the consolidated statement of cash flows.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current ("spot") and forward market prices for commodity and foreign exchange rates. See [Note 17 – Financial Instruments and Commodity Contracts](#) and [Note 19 – Fair Value Measurements](#) for additional discussion related to derivative instruments.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See [Note 7 – Property, Plant and Equipment](#) for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

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The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses (income), net or gain on assets held for sale in our consolidated statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Goodwill

We test for impairment at least annually as of the last day of each fiscal year, unless a triggering event occurs that would require an interim impairment assessment. We do not aggregate components of operating segments to arrive at our reporting units and, as such, our reporting units are the same as our operating segments.

In performing our goodwill impairment test, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If we perform a qualitative assessment and determine that an impairment is more likely than not, then we perform the one-step quantitative impairment test, otherwise no further analysis is required. We also may elect not to perform the qualitative assessment and, instead, proceed directly to the one-step quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether we choose to perform the qualitative assessment or proceed directly to the one-step quantitative impairment test.

No goodwill impairment was identified for fiscal 2023, fiscal 2022, or fiscal 2021. See [Note 8 – Goodwill and Intangible Assets](#) for further discussion.

We use the present value of estimated future cash flows to establish the estimated fair value of our reporting units as of the testing date. This approach includes many assumptions related to long-term growth rate, discount factors, and tax rates, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. Additionally, we use the market approach to corroborate the estimated fair value. If the carrying amount of a reporting unit's goodwill exceeds its estimated fair value, we would recognize an impairment charge in an amount equal to that excess in our consolidated statements of operations. During our analysis for fiscal 2023, fiscal 2022, and fiscal 2021, the estimated fair value of each of our reporting units exceeded the carrying amount of the reporting unit's goodwill.

When a business within a reporting unit is disposed of, goodwill is allocated to the gain or loss on disposition using the relative fair value methodology.

Long-Lived Assets and Other Intangible Assets

We amortize the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See [Note 8 – Goodwill and Intangible Assets](#) for further discussion.

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We assess the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset (groups) to the expected, undiscounted future net cash flows to be generated by that asset (groups), or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. We measure the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Impairments of long-lived assets and intangible assets are included in restructuring and impairment, net in the consolidated statement of operations. See [Note 4 – Restructuring and Impairment](#) for further discussions.

Assets and Liabilities Held for Sale

We classify long-lived assets (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the asset (disposal group); the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (disposal groups); an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the asset (disposal group) beyond one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

We initially measure a long-lived asset (disposal group) that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset (disposal group) until the date of sale. We assess the fair value of a long-lived asset (disposal group) less any costs to sell each reporting period it remains classified as held for sale and report any reduction in fair value as an adjustment to the carrying value of the asset (disposal group). Upon being classified as held for sale we cease depreciation. We continue to depreciate long-lived assets to be disposed of other than by sale.

Upon determining that a long-lived asset (disposal group) meets the criteria to be classified as held for sale, we report the assets and liabilities of the disposal group in our consolidated balance sheets as assets held for sale and liabilities held for sale, respectively.

Investment in and Advances to Non-Consolidated Affiliates

We assess the potential for other-than-temporary impairment of our equity method investments when impairment indicators are identified. We consider all available information, including the recoverability of the investment, the earnings and near-term prospects of the affiliate, factors related to the industry, conditions of the affiliate, and our ability, if any, to influence the management of the affiliate. We assess fair value based on valuation methodologies, as appropriate, including the present value of estimated future cash flows, estimates of sales proceeds, and external appraisals. If an investment is considered to be impaired and the decline in value is other than temporary, we record an appropriate write-down. See [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for further discussion.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our consolidated statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 also applies to measurements under other accounting pronouncements, such as ASC 825, Financial Instruments ("ASC 825") that require or permit fair value measurements. ASC 825 requires disclosures of the fair value of financial instruments. Our financial instruments include: cash and cash equivalents; certificates of deposit; accounts receivable; accounts payable; foreign currency; energy derivative instruments; cross-currency swaps; metal option and forward contracts; share-based compensation; related party notes receivables and payables; letters of credit; short-term borrowings; and long-term debt.

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The carrying amounts of cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and current related party notes receivable and payable approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our letters of credit is deemed to be the amount of payment guaranteed on our behalf by third-party financial institutions. We determine the fair value of our short-term borrowings and long-term debt based on various factors including maturity schedules, call features and current market rates. We also use quoted market prices, when available, or the present value of estimated future cash flows to determine fair value of our share-based compensation liabilities, short-term borrowings and long-term debt. When quoted market prices are not available for various types of financial instruments (such as currency, energy and interest rate derivative instruments, swaps, options, and forward contracts), we use standard pricing models with market-based inputs, which take into account the present value of estimated future cash flows. See [Note 19 – Fair Value Measurements](#) for further discussion.

Pensions and Postretirement Benefits

Our pension obligations relate to funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; unfunded pension plans in the U.S., Canada, and Germany; unfunded lump sum indemnities in France and Italy; and partially funded lump sum indemnities in South Korea. Our other postretirement obligations include unfunded health care and life insurance benefits provided to retired employees in Canada, the U.S., and Brazil.

We account for our pensions and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits ("ASC 715"). We recognize the funded status of our benefit plans as a net asset or liability, with an offsetting adjustment to accumulated other comprehensive loss in shareholder's equity. The funded status is calculated as the difference between the fair value of plan assets and the benefit obligation. For fiscal 2023 and fiscal 2022, we used March 31 as the measurement date.

We use standard actuarial methods and assumptions to account for our pension and other postretirement benefit plans. Pension and postretirement benefit obligations are actuarially calculated using management's best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). Pension and postretirement benefit expense includes the actuarially computed cost of benefits earned during the current service period, the interest cost on accrued obligations, the expected return on plan assets based on fair market value and the straight-line amortization of net actuarial gains and losses and adjustments due to plan amendments, curtailments, and settlements. Net actuarial gains and losses are amortized over periods of 15 years or less, which represent the group's average future service life of the employees or the group's average life expectancy. See [Note 15 – Postretirement Benefit Plans](#) for further discussion.

Noncontrolling Interests in Consolidated Affiliates

These financial statements reflect the application of ASC 810, Consolidations, which establishes accounting and reporting standards that require: (i) the ownership interest in subsidiaries held by parties other than the parent to be clearly identified and presented in the consolidated balance sheet within shareholder's (deficit) equity, but separate from the parent's (deficit) equity; (ii) the amount of consolidated net income attributable to the parent and the noncontrolling interest to be clearly identified and presented on the face of the consolidated statement of operations and (iii) changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary to be accounted for consistently.

Our consolidated financial statements include all assets, liabilities, revenues, and expenses of less-than-100%-owned affiliates that we control or for which we are the primary beneficiary. We record a noncontrolling interest for the allocable portion of income or loss and comprehensive income or loss to which the noncontrolling interest holders are entitled based upon their ownership share of the affiliate. Distributions made to the holders of noncontrolling interests are charged to the respective noncontrolling interest balance.

Losses attributable to the noncontrolling interest in an affiliate may exceed our interest in the affiliate's equity. The excess and any further losses attributable to the noncontrolling interest shall be attributed to those interests. The noncontrolling interest shall continue to be attributed its share of losses even if that attribution results in a deficit noncontrolling interest balance.

Environmental Liabilities

We record accruals for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. We adjust these accruals periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are stated at undiscounted amounts. Environmental liabilities are included in our consolidated balance sheets in accrued expenses and other current liabilities and other long-term liabilities, depending on their short- or long-term nature. Any receivables for related insurance or other third-party recoveries for environmental liabilities are recorded when it is probable that a recovery will be realized and are included in prepaid expenses and other current assets on our consolidated balance sheets.

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Costs related to environmental matters are charged to expense. Estimated future incremental operations, maintenance, and management costs directly related to remediation are accrued in the period in which such costs are determined to be probable and estimable. See [Note 22 – Commitments and Contingencies](#) for further discussion.

Litigation Contingencies

We accrue for loss contingencies associated with outstanding litigation, claims, and assessments for which management has determined it is probable that a loss contingency exists and the amount of loss can be reasonably estimated. We expense professional fees associated with litigation claims and assessments as incurred. See [Note 22 – Commitments and Contingencies](#) for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the consolidated financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See [Note 21 – Income Taxes](#) for further discussion.

Share-Based Compensation

In accordance with ASC 718, Compensation — Stock Compensation ("ASC 718"), we recognize compensation expense for a share-based award over an employee's requisite service period based on the award's grant date fair value, subject to adjustment. Our share-based awards are settled in cash and are accounted for as liability-based awards. As such, liabilities for awards under these plans are required to be measured at fair value at each reporting date until the date of settlement. See [Note 14 – Share-Based Compensation](#) for further discussion.

Foreign Currency Translation

The assets and liabilities of foreign operations, whose functional currency is other than the U.S. dollar (located in Europe and Asia), are translated to U.S. dollars at the period end exchange rates, and revenues and expenses are translated at average exchange rates for the period. Differences arising from this translation are included in the currency translation adjustment component of accumulated other comprehensive loss and noncontrolling interests, both of which are on our consolidated balance sheets. If there is a planned or completed sale or liquidation of our ownership in a foreign operation, the relevant currency translation adjustment is recognized in our consolidated statement of operations.

For all operations, the monetary items denominated in currencies other than the functional currency are remeasured at period-end exchange rates, and transaction gains and losses are included in other expenses (income), net in our consolidated statements of operations. Non-monetary items are remeasured at historical rates.

Business Combinations

Occasionally, we may enter into business combinations. In accordance with ASC 805, Business Combinations ("ASC 805"), we generally recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree at their fair values as of the date of acquisition. We measure goodwill as the excess of consideration transferred, which we also measure at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires us to make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities including those related to debt, pensions and other postretirement plans, uncertain tax positions, contingent consideration, and contingencies. Significant estimates and assumptions include subjective and/or complex judgements regarding items such as discount rate, revenue growth rates, projected EBITDA margins, customer attrition rates, economic lives, and other factors, which are used to derive the estimated future cash flows that we expect to generate from the acquired assets.

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The acquisition method of accounting also requires us to refine these estimates over a measurement period not to exceed one year to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to adjust provisional amounts that we have recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could have a material impact on our financial condition and results of operations. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record future impairment charges. In addition, we have estimated the economic lives of certain acquired assets, and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be increased or decreased or the acquired asset could be impaired. See [Note 2. Business Combination](#) for further discussion.

Recently Adopted Accounting Standards

We did not adopt any new accounting pronouncements during fiscal 2023, fiscal 2022, or fiscal 2021 that had a material impact on our consolidated financial condition, results of operations, or cash flows.

Recently Issued Accounting Standards (Not Yet Adopted)

In September 2022, the Financial Accounting Standards Board (FASB) issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Topic 405-50) - Disclosure of Supplier Finance Program Obligations*. This ASU requires quantitative and qualitative disclosures about the key terms of supplier finance programs, an annual rollforward of obligations to finance providers, and interim disclosure of obligations as of each reporting period presented. This ASU is effective for all entities for fiscal years beginning after December 15, 2022, on a retrospective basis, including interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. Early adoption is permitted. We are currently reviewing the provisions of this ASU but do not expect this guidance will have a material impact on our consolidated financial condition.

There are no other recent accounting pronouncements pending adoption that we expect will have a material impact on our consolidated financial condition, results of operations, or cash flows.

Novelis Inc.
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2. BUSINESS COMBINATION

On April 14, 2020, Novelis completed its acquisition of 100% of the issued and outstanding shares of Aleris, a global supplier of rolled aluminum products, pursuant to an Agreement and Plan of Merger, dated as of July 26, 2018 (the "Merger Agreement"). The closing purchase price of \$2.8 billion consisted of \$775 million less transaction costs for the equity value, as well as approximately \$2.0 billion for the extinguishment of Aleris' current outstanding debt and a \$50 million earn-out payment. The \$775 million base equity payment was reduced by \$64 million of Aleris transaction costs, resulting in \$711 million of cash for equity consideration. As a result, the acquisition increases the Company's footprint as an aluminum rolled products manufacturer by expanding the portfolio of services provided to its customers. Refer to [Note 3 – Discontinued Operations](#) for more details on the Duffel and Lewisport divestitures required as a condition of the acquisition. As a condition to the sale of the Duffel plant, we were required by the European Commission to make a payment of €55 million (approximately \$60 million at the date of acquisition) to support capital improvements at the Duffel plant upon sale.

The final calculation of merger consideration paid to Aleris follows.

<i>in millions</i>	Amount
Cash for equity consideration ⁽¹⁾	\$ 711
Repayment of Aleris' debt (including prepayment penalties and accrued interest) ⁽²⁾	1,954
Earn-out consideration ⁽³⁾	50
Payment associated with Duffel capital expenditures ⁽⁴⁾	60
Fair value of merger consideration	<u>\$ 2,775</u>

- (1) Under the terms of the Merger Agreement, this represents the cash consideration, which is the base consideration for the settlement of all shares of common stock outstanding, including shares issued in connection with the conversion of the 6% Senior Subordinated Exchangeable Notes due 2020 issued by Aleris International, Inc. into Aleris common shares, and the settlement of stock options and restricted stock units, less transaction costs of \$64 million. The transaction costs are removed from the base consideration as these costs were incurred by Aleris prior to the closing date and were not reimbursed by Novelis. Additionally, under the terms of the Merger Agreement, there is a €8 million (approximately \$9 million at the date of acquisition) German tax indemnification included in the cash for equity consideration that will be payable to the selling shareholders upon the condition that the existing Aleris German tax receivable is received from the German tax authorities. During the third quarter of fiscal 2021, Novelis settled this payable with the selling shareholders.
- (2) On the closing date, all of the outstanding historical debt of Aleris, except for certain non-recourse multi-currency secured term loan facilities (collectively, the "Zhenjiang Term Loans"), was repaid in connection with the merger. In addition, prepayment penalties and accrued interest of approximately \$12 million and \$16 million, respectively, associated with the Aleris debt were paid in connection with such repayment.
- (3) Under the terms of the Merger Agreement, this represents the fair value of the earn-out consideration which was based upon Aleris meeting specified commercial margin targets. On the closing date, Aleris had met all of the specified targets in the Merger Agreement and the selling shareholders received the \$50 million cash payment.
- (4) In connection with obtaining the regulatory antitrust approvals, the European Commission required Novelis to pay the buyer of Duffel an additional €55 million (approximately \$60 million at the date of acquisition) to fund capital expenditures that would be required so that Duffel can operate as a standalone business. This amount was paid on September 30, 2020 and is included in acquisition of business and other investments, net of cash and restricted cash acquired in the consolidated statement of cash flows for fiscal 2021.

The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805. The purchase price was allocated to the assets acquired and liabilities assumed based on the fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, none of which is expected to be deductible for tax purposes. Goodwill is primarily attributed to synergies from future expected economic benefits, including enhanced revenue growth from expanded capabilities and geographic presence, as well as cost savings from duplicative overhead, streamlined operations, and enhanced operational efficiency.

The accompanying consolidated balance sheets include the assets and liabilities of Aleris, which were measured at fair value as of the acquisition date. The discontinued operations financial statement line items in the table below relate to Duffel and Lewisport.

Novelis Inc.
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The preliminary allocation of purchase price recorded for Aleris as of June 30, 2020 and subsequently revised for measurement period adjustments follows.

<i>in millions</i>	Assets Acquired as of June 30, 2020 ⁽¹⁾	Measurement Period Adjustments	Assets Acquired as of March 31, 2021 ⁽¹⁾
Cash and cash equivalents	\$ 105	\$ —	\$ 105
Accounts receivable ⁽²⁾	251	17	268
Inventories	379	—	379
Prepaid expenses and other current assets ⁽³⁾	24	—	24
Fair value of derivative instruments	46	—	46
Current assets of discontinued operations ⁽⁴⁾	463	1	464
Property, plant and equipment ⁽⁵⁾	949	(5)	944
Goodwill ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	328	141	469
Intangible assets, net ⁽⁵⁾⁽⁶⁾	149	318	467
Deferred income tax assets ⁽⁷⁾	114	(20)	94
Other long-term assets	39	—	39
Long-term assets of discontinued operations ⁽⁸⁾	944	(390)	554
Total assets	\$ 3,791	\$ 62	\$ 3,853
	Liabilities Assumed as of June 30, 2020 ⁽¹⁾	Measurement Period Adjustments	Liabilities Assumed as of March 31, 2021 ⁽¹⁾
Current portion of long-term debt	\$ 24	\$ —	\$ 24
Accounts Payable ⁽²⁾	141	17	158
Fair value of derivative instruments	25	—	25
Accrued expenses and other current liabilities	143	—	143
Current liabilities of discontinued operations	166	—	166
Long-term debt, net of current portion	125	—	125
Deferred income tax liabilities ⁽⁷⁾	37	4	41
Accrued postretirement benefits	164	—	164
Other long-term liabilities ⁽⁹⁾	41	41	82
Long-term liabilities of discontinued operations	150	—	150
Total liabilities	\$ 1,016	\$ 62	\$ 1,078
Net assets acquired			\$ 2,775
Total purchase price			\$ 2,775

- (1) In connection with the acquisition of Aleris, the Company acquired two businesses which were required to be sold. Therefore, such businesses were classified as held for sale and were included within the current assets of discontinued operations, long-term assets of discontinued operations, current liabilities of discontinued operations, and long-term liabilities of discontinued operations line items in the above allocation of purchase price (see [Note 3 – Discontinued Operations](#)). As of March 31, 2021, both of these businesses were sold and are no longer included in the consolidated balance sheets of Novelis.
- (2) The measurement period adjustment related to the presentational alignment of pending derivative settlements on a gross basis in accordance with Novelis' policy during the second quarter of fiscal 2021.
- (3) Included in prepaid expenses and other current assets is \$9 million of restricted cash acquired related to cash deposits restricted for the payment of the Zhenjiang Term Loans.
- (4) Included in current assets of discontinued operations is \$41 million of cash and cash equivalents acquired related to our discontinued operations.
- (5) The measurement period adjustment of \$5 million related to presentational alignment of certain capitalized software in accordance with Novelis' policy during the third quarter of fiscal 2021.
- (6) The measurement period adjustment related to revisions in the valuation of intangible assets based on refinements to key assumptions, such as discount rates and growth rates, of \$261 million and \$52 million during the second and third quarters of fiscal 2021, respectively.
- (7) The measurement period adjustment related to deferred tax impacts of the measurement period adjustments and other tax adjustments, resulting in a decrease in deferred tax assets of \$34 million during the second quarter, an increase of \$22 million during the third quarter, and a decrease of \$8 million during the fourth quarter of fiscal 2021, respectively. Deferred tax liabilities were adjusted by \$4 million in the fourth quarter of fiscal 2021.
- (8) The measurement period adjustment related to estimated costs to sell the Duffel and Lewisport businesses, in addition to revisions to key assumptions of the valuation of Lewisport and Duffel's property, plant and equipment, of \$284 million and \$75 million during the second and third quarters of fiscal 2021, respectively, and revisions to key assumptions related to Lewisport's intangible assets of \$31 million during the second quarter of fiscal 2021.
- (9) The measurement period adjustment related to certain uncertain tax positions and customs related adjustments identified during the third quarter of fiscal 2021.

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The fair values of assets acquired and liabilities are final as of March 31, 2021. The fair values of the assets acquired and liabilities assumed of discontinued operations were determined using estimated sales prices. The fair values of the continuing operations assets acquired and liabilities assumed were determined using the income and cost approaches. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows, and other future events that were judgmental and subject to change. The fair value measurements are primarily based on significant inputs that are not observable in the market and thus represent Level 3 measurements in the fair value hierarchy as defined in ASC 820. Intangible assets consisting of customer relationships, technology, and trade names were valued using the multi-period excess earnings method or the relief from royalty method, both of which are forms of the income approach. A cost and market approach was applied, as appropriate, for inventory and property and equipment, including land.

Customer relationship intangible assets were valued using the multi-period excess earnings method. The significant assumptions used include the estimated annual net cash flows (including appropriate revenue and profit attributable to the asset, retention rate, applicable tax rate, and contributory asset charges, among other factors), the discount rate, reflecting the risks inherent in the future cash flow stream, an assessment of the asset's life cycle, and the tax amortization benefit, among other factors.

Technology and trade name intangible assets were valued using the relief from royalty method. The significant assumptions used include the estimated annual net cash flows (including appropriate revenue attributable to the asset, applicable tax rate, royalty rate, and other factors such as technology related obsolescence rates), the discount rate, reflecting the risks inherent in the future cash flow stream, and the tax amortization benefit, among other factors.

Inventory was valued using the replacement cost or market approach, as appropriate. The replacement cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility, was used to determine the estimated replacement cost of raw materials. The market approach was used to determine the estimated selling price less costs to sale for work in progress and finished goods.

Property and equipment, including land, were valued using the cost or market approach, as appropriate. For assets valued using the cost approach, the cost to replace a given asset reflects the estimated reproduction or replacement cost for the property, less an allowance for loss in value due to depreciation. The market approach, which estimates value by leveraging comparable land sale data/listings and qualitatively comparing them to the in-scope properties, was used to value the land.

The assumed long-term debt in China was valued using an income approach. The significant assumptions used include the estimated annual cash flows and interest and credit spreads, among other factors.

The assumed pension and postretirement liabilities were valued using an income approach. The significant assumptions used include the estimated annual cash flows, the discount rate, and the estimated return on asset rate, among other factors.

The fair value of the assets acquired includes current accounts receivables of \$268 million related to continuing operations and \$78 million related to discontinued operations. The gross amount due is \$346 million, of which less than \$1 million is expected to be uncollectible.

The fair value of the assets acquired includes \$22 million and \$7 million of operating lease right-of-use assets and finance lease assets, respectively. The fair value of liabilities assumed includes \$9 million and \$7 million of operating lease liabilities and finance lease liabilities, respectively, of which, \$4 million and \$3 million of operating lease liabilities and finance lease liabilities, respectively, are current liabilities.

The Company has allocated the goodwill associated with the Aleris acquisition to the regions in the amounts below.

<i>in millions</i>	North America	Europe	Asia	Total
Goodwill	\$ 375	\$ 53	\$ 41	\$ 469

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The amounts allocated to intangible assets are as follows.

<i>in millions</i>	Gross Carrying Amount ⁽¹⁾	Weighted-Average Useful Life
Trade name	\$ 10	2.5 years
Technology	52	15.1 years
Customer relationships	403	22.5 years
Other intangibles	2	N/A
Total	<u>\$ 467</u>	21.2 years

(1) In connection with the acquisition of Aleris, Novelis acquired two businesses which we were obligated to sell. As such, gross carrying amounts exclude amounts held for sale (see [Note 3 – Discontinued Operations](#)).

Between the acquisition date and March 31, 2021, the results of continuing operations for Aleris of \$1.6 billion of net sales and \$144 million of net loss have been included within the accompanying consolidated statement of operations for fiscal 2021.

The following unaudited supplemental pro forma combined financial information presents the Company's results of operations for fiscal 2021 and fiscal 2020 as if the acquisition of Aleris had occurred on April 1, 2019. The pro forma financial information is presented for comparative purposes only and is not necessarily indicative of the Company's operating results that may have actually occurred had the acquisition of Aleris been completed on April 1, 2019. In addition, the unaudited pro forma financial information does not give effect to any anticipated cost savings, operating efficiencies, or other synergies that may be associated with the acquisition or any estimated costs that have been or will be incurred by the Company to integrate the assets and operations of Aleris.

<i>in millions</i>	Fiscal 2021	Fiscal 2020
Net sales	\$ 12,330	\$ 13,175
Net income	306	412

The unaudited pro forma financial information reflects pro forma adjustments to present the combined pro forma results of operations as if the acquisition had occurred on April 1, 2019 to give effect to certain events the Company believes to be directly attributable to the acquisition. These pro forma adjustments primarily include:

- the elimination of Aleris historical depreciation and amortization expense and the recognition of new depreciation and amortization expense;
- an adjustment to interest expense to reflect the additional borrowings of the Company in conjunction with the acquisition and the repayment of Aleris' historical debt in conjunction with the acquisition;
- an adjustment to present acquisition-related transaction costs and other one-time costs directly attributable to the acquisition as if they were incurred in the earliest period presented; and
- the related income tax effects of the adjustments noted above.

3. DISCONTINUED OPERATIONS

On April 14, 2020, we closed the acquisition of Aleris for \$2.8 billion. As a result of the antitrust review processes in the European Union, the U.S., and China required for approval of the acquisition, we were obligated to divest Aleris' European and North American automotive assets, including the Duffel and Lewisport plants. See [Note 2 – Business Combination](#) for more details on the acquisition and related accounting treatment.

Duffel

On September 30, 2020, we completed the sale of Duffel to Liberty House Group through its subsidiary, ALVANCE, the international aluminum business of the GFG Alliance. Upon closing, we received €210 million (\$246 million as of September 30, 2020) in cash and a €100 million (\$117 million as of September 30, 2020) receivable that was deemed to be contingent consideration subject to the results of a binding arbitration proceeding under German law.

We accounted for this contingent consideration at fair value and marked to fair value on a quarterly basis. As of June 30, 2021, Novelis marked all outstanding receivables related to the sale of Duffel to an estimated fair value of €45 million (\$53 million), which resulted in a loss of €51 million (\$61 million) recorded in loss from discontinued operations, net of tax.

In June 2022, Duffel was acquired by American Industrial Partners Capital Fund VII, L.P. (together with its affiliates, "AIP"). In December 2022, the Company reached a settlement with AIP in order to reach a resolution to the dispute being arbitrated, among other matters. As part of the settlement, the contingent consideration balance was settled for €45 million (\$46 million), consisting of €5 million (\$5 million) in cash paid on the settlement date and a note in the amount of €40 million (\$41 million). The note bears interest at the annual rate of 5% and matures on December 31, 2027, with interest and €0.2 million of principal payable semi-annually and the remainder of the principal payable at maturity. As a result of the settlement, the arbitration was dismissed in January 2023. The settlement did not have a material impact on the Company's consolidated statement of operations.

The resolution reached with AIP also included the settlement of certain assets and liabilities that were previously classified as current assets and current liabilities of discontinued operations on our consolidated balance sheets. The settlement of such assets and liabilities did not have a material impact on the Company's consolidated statement of operations.

Lewisport

On November 8, 2020, we entered into a definitive agreement with American Industrial Partners for the sale of Lewisport and closed the sale on November 30, 2020. Upon closing, we received \$180 million in cash proceeds. In addition, we received \$19 million for net working capital adjustments during the third quarter of fiscal 2022.

For fiscal 2021, the results of operations of Lewisport were presented within loss from discontinued operations, net of tax in the consolidated statement of operations and cash flows of Lewisport were presented as discontinued operations in the consolidated statements of cash flows.

Loss on Sale of Discontinued Operations

As a result of the transactions above, for fiscal 2021 we recorded a loss on sale of discontinued operations of \$170 million, net of taxes, associated with the sales of Duffel and Lewisport. Cash flows from the sales of Duffel and Lewisport are included in the consolidated statements of cash flows for fiscal 2021 as net cash provided by investing activities - discontinued operations. An offsetting \$46 million in net cash provided by investing activities - discontinued operations for fiscal 2021 relates primarily to capital expenditures and outflows from the sale of derivative instruments for Duffel and Lewisport during the period prior to their divestiture.

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4. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment, net includes restructuring costs, impairments, and other related expenses or reversal of expenses. As of March 31, 2023, \$9 million of restructuring liability is included in accrued expenses and other current liabilities, while the remainder is within other long-term liabilities in our accompanying consolidated balance sheet.

<i>in millions</i>	North America		Europe		Asia		South America		Other Operations		Total	
Restructuring liability balance as of March 31, 2020	\$	1	\$	21	\$	—	\$	12	\$	—	\$	34
Restructuring and impairment expenses, net ⁽¹⁾		6		14		—		1		8		29
Cash payments		(3)		(17)		—		(3)		(5)		(28)
Other ⁽²⁾		(1)		1		—		(1)		—		(1)
Restructuring liability balance as of March 31, 2021	\$	3	\$	19	\$	—	\$	9	\$	3	\$	34
Restructuring and impairment expenses, net ⁽³⁾		2		(5)		2		2		—		1
Cash payments		(3)		(11)		(1)		(3)		(3)		(21)
Other ⁽²⁾		—		—		—		(1)		—		(1)
Restructuring liability balance as of March 31, 2022	\$	2	\$	3	\$	1	\$	7	\$	—	\$	13
Restructuring and impairment expenses, net ⁽⁴⁾		28		—		(1)		1		5		33
Cash payments		(1)		(2)		—		(1)		—		(4)
Other ⁽²⁾		(19)		—		—		—		(5)		(24)
Restructuring liability balance as of March 31, 2023	\$	10	\$	1	\$	—	\$	7	\$	—	\$	18

(1) Restructuring and impairment expenses, net for fiscal 2021 primarily relates to the reorganization and right sizing of the acquired Aleris business.

(2) Other includes the impact of foreign currency on our restructuring liability as well as the removal of other non-cash expenses recorded and included within restructuring and impairment expenses, net in the table above that are not recorded through the restructuring liability. In fiscal 2023 and fiscal 2021 impairment charges and other non-cash expenses included in restructuring and expenses, net were \$23 million and \$1 million, respectively. There were no impairment charges and other non-cash expenses included in restructuring and expenses, net in fiscal 2022.

(3) Restructuring and impairment expenses (reversal), net for fiscal 2022 primarily relates to reorganization activities resulting from the Aleris acquisition, mostly offset by a partial release of certain restructuring liabilities as a result of changes in estimated costs.

(4) Restructuring and impairment expenses, net for fiscal 2023 primarily relates to the shutdown of casting and hot rolling assets at our Richmond plant in North America.

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5. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

<i>in millions</i>	March 31,	
	2023	2022
Trade accounts receivable	\$ 1,650	\$ 2,339
Other accounts receivable	106	257
Accounts receivable — third parties	1,756	2,596
Allowance for credit losses — third parties	(5)	(6)
Accounts receivable, net — third parties	\$ 1,751	\$ 2,590
Accounts receivable, net — related parties	\$ 156	\$ 222

Allowance for Credit Losses

As of March 31, 2023 and 2022, our allowance for credit losses represented approximately 0.3% and 0.2% of gross accounts receivable — third parties, respectively.

Activity in the allowance for credit losses is as follows.

<i>in millions</i>	Balance at Beginning of Period	Additions Charged to Expense	Accounts Recovered/(Written-Off)	Balance at End of Period
Fiscal 2023	\$ 6	\$ —	\$ (1)	\$ 5
Fiscal 2022	5	1	—	6
Fiscal 2021	8	—	(3)	5

Factoring of Trade Receivables

We factor trade receivables based on local cash needs and in an attempt to balance the timing of cash flows of trade payables and receivables. Factored invoices are not included in our consolidated balance sheets when we do not retain a financial or legal interest. If a financial or legal interest is retained, we classify these factorings as secured borrowings.

The following tables summarize amounts relating to our factoring activities.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Factoring expense ⁽¹⁾	\$ 98	\$ 59	\$ 27

(1) Factoring expense is included within selling, general and administrative expenses in our accompanying statements of operations.

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6. INVENTORIES

Inventories consists of the following.

<i>in millions</i>	March 31,	
	2023	2022
Finished goods	\$ 643	\$ 677
Work in process	1,303	1,511
Raw materials	505	620
Supplies	278	230
Inventories	<u>\$ 2,729</u>	<u>\$ 3,038</u>

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7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

<i>in millions</i>	March 31,	
	2023	2022
Land and property rights	\$ 204	\$ 205
Buildings	1,957	1,864
Machinery and equipment ⁽¹⁾	5,990	5,821
Gross property, plant and equipment (excluding construction in progress)	8,151	7,890
Accumulated depreciation and amortization	(4,014)	(3,686)
Property, plant and equipment, net (excluding construction in progress)	4,137	4,204
Construction in progress	763	420
Property, plant and equipment, net ⁽²⁾	\$ 4,900	\$ 4,624

(1) In addition to equipment under finance leases, machinery and equipment also includes furniture, fixtures, and equipment.

(2) Included in property, plant and equipment, net are \$31 million and \$30 million of finance leases as of March 31, 2023 and 2022, respectively. This balance of finance leases represents gross finance leases of \$49 million, net of accumulated amortization of \$18 million, and \$41 million, net of accumulated amortization of \$11 million, as of March 31, 2023 and 2022, respectively. Of the \$49 million and \$41 million of gross finance leases as of March 31, 2023 and 2022, \$48 million and \$40 million were included in machinery and equipment, respectively. The remainder is included in buildings.

During fiscal 2023, fiscal 2022, and fiscal 2021, we capitalized \$7 million, \$18 million, and \$26 million of interest related to construction of property, plant and equipment and intangibles under development, respectively.

Depreciation expense related to property, plant and equipment, net is shown in the table below.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Depreciation expense related to property, plant and equipment, net	\$ 466	\$ 457	\$ 451

Asset impairments

Impairment charges are recorded in restructuring and impairment, net on our consolidated statements of operations. See [Note 4 – Restructuring and Impairment](#) for additional information.

Asset Retirement Obligations

An asset retirement obligation is recognized in the period in which sufficient information exists to determine the fair value of the liability along with a corresponding increase to the carrying amount of the related property, plant and equipment, which is then depreciated over its useful life. As of March 31, 2023, our asset retirement obligations relate to sites, primarily in North America and Europe, that have government imposed or other legal remediation obligations. The following is a summary of our asset retirement obligation activity. The current portion of our asset retirement obligations is included in accrued expenses and other current liabilities in our consolidated balance sheets, while the long-term portion is included in other long-term liabilities. As of March 31, 2023, \$21 million was included in other long-term liabilities.

<i>in millions</i>	Asset Retirement Obligation at Beginning of Period	Obligations Incurred	Acquisition	Foreign Exchange & Other Adjustments	Settlements	Asset Retirement Obligation at End of Period
Fiscal 2023	\$ 21	\$ —	\$ —	\$ —	\$ —	\$ 21
Fiscal 2022	25	—	—	—	(4)	21
Fiscal 2021	24	2	3	(3)	(1)	25

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. GOODWILL AND INTANGIBLE ASSETS

A summary of the changes in the carrying value of goodwill for fiscal 2023 and fiscal 2022 follows.

<i>in millions</i>	North America	Europe	Asia	South America	Total
Carrying value of goodwill at March 31, 2021 ⁽¹⁾	\$ 660	\$ 238	\$ 44	\$ 141	\$ 1,083
Foreign currency translation adjustment	—	(3)	1	—	(2)
Carrying value of goodwill at March 31, 2022 ⁽¹⁾	660	235	45	141	1,081
Foreign currency translation adjustment	—	(1)	(4)	—	(5)
Carrying value of goodwill at March 31, 2023 ⁽¹⁾	\$ 660	\$ 234	\$ 41	\$ 141	\$ 1,076

(1) Carrying value of goodwill at March 31, 2023, 2022, and 2021 is net of accumulated impairment of \$860 million for North America, \$330 million for Europe, and \$150 million for South America.

The components of intangible assets, net are as follows.

<i>in millions</i>	March 31, 2023			March 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Tradenames	\$ 152	\$ (122)	\$ 30	\$ 152	\$ (113)	\$ 39
Technology and software	537	(425)	112	492	(395)	97
Customer-related intangible assets	852	(405)	447	854	(367)	487
Other intangibles	2	(2)	—	2	(2)	—
	\$ 1,543	\$ (954)	\$ 589	\$ 1,500	\$ (877)	\$ 623

Amortization expense related to intangible assets, net is as follows.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Amortization expense related to intangible assets included in depreciation and amortization	\$ 74	\$ 93	\$ 92

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in millions). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, or other events.

Fiscal Year Ending March 31,	Amount
2024	\$ 71
2025	67
2026	64
2027	63
2028	56

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. CONSOLIDATION

Variable Interest Entity

The entity that has a controlling financial interest in a VIE is referred to as the primary beneficiary and consolidates the VIE. An entity is deemed to have a controlling financial interest and is the primary beneficiary of a VIE if it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Logan is a consolidated joint venture in which we hold 40% ownership. Our joint venture partner is Tri-Arrows. Logan processes metal received from Novelis and Tri-Arrows and charges the respective partner a fee to cover expenses. Logan is a thinly capitalized VIE that relies on the regular reimbursement of costs and expenses from Novelis and Tri-Arrows to fund its operations. Novelis is considered the primary beneficiary and consolidates Logan since it has the power to direct activities that most significantly impact Logan's economic performance, an obligation to absorb expected losses, and the right to receive benefits that could potentially be significant to the VIE.

Other than the contractually required reimbursements, we do not provide additional material support to Logan. Logan's creditors do not have recourse to our general credit. There are significant other assets used in the operations of Logan that are not part of the joint venture, as they are directly owned and consolidated by Novelis or Tri-Arrows.

The following table summarizes the carrying value and classification of assets and liabilities owned by the Logan joint venture and consolidated in our consolidated balance sheets.

<i>in millions</i>	March 31,	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6	\$ 3
Accounts receivable, net	6	50
Inventories	149	115
Prepaid expenses and other current assets	7	8
Total current assets	168	176
Property, plant and equipment, net	63	22
Goodwill	12	12
Deferred income tax assets	37	41
Other long-term assets	6	6
Total assets	<u>\$ 286</u>	<u>\$ 257</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 90	\$ 53
Accrued expenses and other current liabilities	28	28
Total current liabilities	118	81
Accrued postretirement benefits	130	153
Other long-term liabilities	6	2
Total liabilities	<u>\$ 254</u>	<u>\$ 236</u>

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT IN AND ADVANCES TO NON-CONSOLIDATED AFFILIATES AND RELATED PARTY TRANSACTIONS

Included in the accompanying consolidated financial statements are transactions and balances arising from business we conducted with our equity method non-consolidated affiliates.

Alunorf

Alunorf is a joint venture investment between Novelis Deutschland GmbH, a subsidiary of Novelis, and Speira GmbH. Each of the parties to the joint venture holds a 50% interest in the equity, profits and losses, shareholder voting, management control, and rights to use the production capacity of the facility. Alunorf tolls aluminum and charges the respective partner a fee to cover the associated expenses.

UAL

UAL is a joint venture investment between Novelis Korea Ltd., a subsidiary of Novelis, and Kobe. UAL is a thinly capitalized VIE that relies on the regular reimbursement of costs and expenses from Novelis and Kobe. UAL is controlled by an equally represented Board of Directors in which neither entity has sole decision-making ability regarding production operations or other significant decisions. Furthermore, neither entity has the ability to take the majority share of production or associated costs over the life of the joint venture. Our risk of loss is limited to the carrying value of our investment in and inventory-related receivables from UAL. UAL's creditors do not have recourse to our general credit. Therefore, UAL is accounted for as an equity method investment, and Novelis is not considered the primary beneficiary. UAL currently produces flat-rolled aluminum products exclusively for Novelis and Kobe. As of March 31, 2023, Novelis and Kobe both hold 50% interests in UAL. During fiscal 2023, we made additional contributions to UAL in the amount of \$23 million. No such contributions were made during fiscal 2022.

AluInfra

AluInfra is a joint venture investment between Novelis Switzerland SA, a subsidiary of Novelis, and Constellium SE. Each of the parties to the joint venture holds a 50% interest in the equity, profits and losses, shareholder voting, management control, and rights to use the facility.

The following table summarizes the assets, liabilities, and equity of our equity method non-consolidated affiliates in the aggregate as of March 31, 2023 and 2022.

<i>in millions</i>	March 31,	
	2023	2022
ASSETS		
Current assets	\$ 555	\$ 658
Non-current assets	798	815
Total assets	<u>\$ 1,353</u>	<u>\$ 1,473</u>
LIABILITIES		
Current liabilities	\$ 299	\$ 417
Non-current liabilities	316	370
Total liabilities	<u>\$ 615</u>	<u>\$ 787</u>
EQUITY		
Total equity	<u>\$ 738</u>	<u>\$ 686</u>
Total liabilities and equity	<u>\$ 1,353</u>	<u>\$ 1,473</u>

As of March 31, 2023, the investment in Alunorf exceeded our proportionate share of the net assets by \$428 million. The difference is primarily related to the unamortized fair value adjustments that are included in our investment balance as a result of the acquisition of Novelis by Hindalco in 2007.

As of March 31, 2023, the investment in UAL exceeded our proportionate share of the net assets by \$46 million. The difference primarily relates to goodwill.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the results of operations of our equity method non-consolidated affiliates in the aggregate for fiscal 2023, fiscal 2022, and fiscal 2021 as well as the nature and amounts of significant transactions that we had with our non-consolidated affiliates. The amounts in the table below are disclosed at 100% of the operating results of these affiliates.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net sales	\$ 1,721	\$ 1,755	\$ 1,216
Costs and expenses related to net sales	1,652	1,691	1,191
Income tax provision	21	18	7
Net income	<u>\$ 48</u>	<u>\$ 46</u>	<u>\$ 18</u>

Purchase of tolling services from Alunorf	\$ 332	\$ 312	\$ 251
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Related Party Transactions

Included in the accompanying consolidated financial statements are transactions and balances arising from business we conduct with our non-consolidated affiliates and our indirect parent company, Hindalco.

The following table describes related party balances in the accompanying consolidated balance sheets. We had no other material related party balances with non-consolidated affiliates.

<i>in millions</i>	March 31,	
	2023	2022
Accounts receivable, net — related parties	\$ 156	\$ 222
Other long-term assets — related parties	3	1
Accounts payable — related parties	277	320

Transactions with Hindalco

We occasionally have related party transactions with Hindalco. During fiscal 2023, fiscal 2022, and fiscal 2021, we recorded net sales of less than \$1 million between Novelis and Hindalco, which primarily related to certain services and sales of equipment. As of March 31, 2023 and 2022, there were \$2 million and \$1 million of accounts receivable, net — related parties net of accounts payable — related parties related to transactions with Hindalco, respectively. During fiscal 2023 and fiscal 2022, Novelis purchased less than \$1 million and \$2 million in raw materials from Hindalco, respectively.

Return of Capital

We paid a return of capital to our common shareholder in the amount of \$100 million during each of the second quarters of fiscal 2023 and 2022. No such payments were made during fiscal 2021.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. LEASES

We lease certain land, buildings, and equipment under non-cancelable operating lease arrangements and certain equipment and office space under finance lease arrangements.

We used the following policies and/or assumptions in evaluating our lease population.

- **Lease determination:** Novelis considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.
- **Discount rate:** When our lease contracts do not provide a readily determinable implicit rate, we use the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by region and asset class.
- **Variable payments:** Novelis includes payments that are based on an index or rate within the calculation of right-of-use leased assets and lease liabilities, which is initially measured at the lease commencement date. Other variable lease payments include, but are not limited to, maintenance, service, and supply costs. These costs are disclosed as a component of total lease costs.
- **Purchase options:** Certain leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.
- **Renewal options:** Most leases include one or more options to renew with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at our sole discretion.
- **Residual value guarantees, restrictions, or covenants:** Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.
- **Short-term leases:** Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to selling, general and administrative expenses on the consolidated statements of operations.
- **Non-lease components:** Leases that contain non-lease components (primarily equipment maintenance) are accounted for as a single component and recorded on the consolidated balance sheets for certain asset classes including real estate and certain equipment. Non-lease components include, but are not limited to, common area maintenance, service arrangements, and supply agreements.

The table below presents the classification of leasing assets and liabilities within our consolidated balance sheets.

in millions	Consolidated Balance Sheet Classification	March 31,	
		2023	2022
ASSETS			
Operating lease right-of-use assets	Other long-term assets	\$ 127	\$ 100
Finance lease assets ⁽¹⁾	Property, plant and equipment, net	31	30
Total lease assets		\$ 158	\$ 130
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	\$ 24	\$ 23
Finance lease liabilities	Current portion of long-term debt	16	7
Long-term:			
Operating lease liabilities	Other long-term liabilities	82	58
Finance lease liabilities	Long-term debt, net of current portion	14	23
Total lease liabilities		\$ 136	\$ 111

(1) Finance lease assets are recorded net of accumulated depreciation of \$18 million and \$11 million as of March 31, 2023 and March 31, 2022, respectively.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the classification of lease related expenses or income as reported within the consolidated statements of operations. Amortization of and interest on liabilities related to finance leases were \$7 million during fiscal 2023, 2022 and 2021.

<i>in millions</i>	Income Statement Classification	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operating lease costs ⁽¹⁾	Selling, general and administrative expenses	\$ 61	\$ 57	\$ 57

(1) Operating lease costs include short-term leases and variable lease costs.

Future minimum lease payments as of March 31, 2023, for our operating and finance leases having an initial or remaining non-cancelable lease term in excess of one year are as follows (in millions).

Fiscal Year Ending March 31,	Operating leases⁽¹⁾	Finance leases⁽²⁾
2024	\$ 28	\$ 16
2025	20	5
2026	13	4
2027	9	3
2028	7	2
Thereafter	56	1
Total minimum lease payments	133	31
Less: interest	27	1
Present value of lease liabilities	\$ 106	\$ 30

(1) Operating lease payments related to options to extend lease terms that are reasonably certain of being exercised are immaterial as of March 31, 2023.

(2) Finance lease payments related to options to extend lease terms that are reasonably certain of being exercised are immaterial, and we do not have leases signed but not yet commenced as of March 31, 2023.

The following table presents the weighted-average remaining lease term and discount rates.

	March 31,	
	2023	2022
Weighted-average remaining lease term		
Operating leases	9.2 years	6.0 years
Finance leases	2.0 years	2.9 years
Weighted-average discount rate		
Operating leases	4.35 %	3.71 %
Finance leases	2.48 %	2.19 %

The following table presents supplemental information on our leases for fiscal 2023, fiscal 2022, and fiscal 2021.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	\$ 72	\$ 59	\$ 66
Financing cash flows from finance leases	8	5	7
Leased assets obtained in exchange for new finance lease liabilities ⁽¹⁾	6	16	17
Leased assets obtained in exchange for new operating lease liabilities ⁽²⁾	28	16	21

(1) For fiscal 2021, we excluded \$7 million of finance lease asset additions that were obtained through the acquisition of Aleris.

(2) For fiscal 2021, we excluded \$22 million of operating lease right-of-use asset additions that were obtained through the acquisition of Aleris.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

<i>in millions</i>	March 31,			
	2023		2022	
Accrued compensation and benefits	\$	231	\$	251
Accrued interest payable		39		43
Accrued income taxes		66		67
Other current liabilities		297		413
Accrued expenses and other current liabilities	\$	633	\$	774

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DEBT

Debt consists of the following.

<i>in millions</i>	<i>Interest Rates⁽¹⁾</i>	March 31, 2023			March 31, 2022		
		Principal	Unamortized Carrying Value Adjustments⁽²⁾	Carrying Value	Principal	Unamortized Carrying Value Adjustments⁽²⁾	Carrying Value
Short-term borrowings	6.67 %	\$ 671	\$ —	\$ 671	\$ 529	\$ —	\$ 529
Floating rate Term Loans, due January 2025	6.91 %	752	(7)	745	760	(11)	749
Floating rate Term Loans, due March 2028	7.16 %	490	(6)	484	495	(8)	487
3.250% Senior Notes, due November 2026	3.250 %	750	(8)	742	750	(10)	740
3.375% Senior Notes, due April 2029	3.375 %	543	(8)	535	556	(10)	546
4.750% Senior Notes, due January 2030	4.75 %	1,600	(22)	1,578	1,600	(25)	1,575
3.875% Senior Notes, due August 2031	3.875 %	750	(9)	741	750	(10)	740
3.90% China Bank Loans, due August 2027	3.90 %	64	—	64	76	—	76
1.80% Brazil Loan, due June 2023	1.80 %	30	—	30	30	—	30
1.80% Brazil Loan, due December 2023	1.80 %	20	—	20	20	—	20
Finance lease obligations and other debt, due through June 2028 ⁽³⁾	2.48 %	30	—	30	30	—	30
Total debt		\$ 5,700	\$ (60)	\$ 5,640	\$ 5,596	\$ (74)	\$ 5,522
Less: Short-term borrowings		(671)	—	(671)	(529)	—	(529)
Current portion of long-term debt		(88)	—	(88)	(26)	—	(26)
Long-term debt, net of current portion		\$ 4,941	\$ (60)	\$ 4,881	\$ 5,041	\$ (74)	\$ 4,967

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023, and therefore exclude the effects of accretion and amortization of debt issuance costs related to refinancing transactions and additional borrowings. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.

(2) Amounts include unamortized debt issuance costs, fair value adjustments, and debt discounts.

(3) See [Note 11 – Leases](#) for more information.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2023 for our debt denominated in foreign currencies are as follows (in millions).

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	\$ 759
2 years	766
3 years	22
4 years	776
5 years	482
Thereafter	2,895
Total debt	\$ 5,700

Short-Term Borrowings

As of March 31, 2023, our short-term borrowings totaled \$671 million, which consisted of \$463 million of borrowings on our ABL Revolver, \$107 million in short-term China loans (CNY 740 million), \$100 million in Brazil loans, and \$1 million in other short-term borrowings.

In January 2022, we entered into a \$315 million short-term loan with Axis Bank Limited, IFSC Banking Unit, Gift City, as administrative agent and lender. The short-term loan was subject to 0.25% quarterly amortization payments, and accrued interest at SOFR plus 0.90%. The short-term loan matured in November 2022 and we repaid the remaining principal balance of this loan in full at the maturity date.

Senior Secured Credit Facilities

As of March 31, 2023, the senior secured credit facilities consisted of (i) a secured term loan credit facility ("Term Loan Facility") and (ii) a \$2.0 billion asset based loan facility ("ABL Revolver"). The senior secured credit facilities contain various affirmative covenants, including covenants with respect to our financial statements, litigation and other reporting requirements, insurance, payment of taxes, employee benefits, and (subject to certain limitations) causing new subsidiaries to pledge collateral and guaranty our obligations. The senior secured credit facilities also include various customary negative covenants and events of default, including limitations on our ability to incur additional indebtedness; sell certain assets; enter into sale and leaseback transactions; make investments, loans, and advances; pay dividends or returns of capital and distributions beyond certain amounts; engage in mergers, amalgamations, or consolidations; engage in certain transactions with affiliates; and prepay certain indebtedness. The Term Loan Facility also contains a financial maintenance covenant that prohibits Novelis' senior secured net leverage ratio as of the last day of each fiscal quarter period as measured on a rolling four quarter basis from exceeding 3.50 to 1.00, subject to customary equity cure rights. The senior secured credit facilities include a cross-default provision under which lenders could accelerate repayment of the loans if a payment or non-payment default arises under any other indebtedness with an aggregate principal amount of more than \$100 million (or, in the case of the Term Loan Facility, under the ABL Revolver regardless of the amount outstanding). The senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries and are secured by a pledge of substantially all of the assets of the Company and the guarantors.

Term Loan Facility

The Term Loan Facility requires customary mandatory prepayments with excess cash flow, other asset sale proceeds, casualty event proceeds, and proceeds of prohibited indebtedness, all subject to customary reinvestment rights and exceptions. The loans under the Term Loan Facility may be prepaid, in full or in part, at any time at Novelis' election without penalty or premium. The Term Loan Facility allows for additional term loans to be issued in an amount not to exceed \$300 million (or its equivalent in other currencies) plus an unlimited amount if, after giving effect to such incurrences on a pro forma basis, the secured net leverage ratio does not exceed 3.00 to 1.00. The Term Loan Facility also allows for additional term loans to be issued in an amount to refinance loans outstanding under the Term Loan Facility. The lenders under the Term Loan Facility have not committed to provide any such additional term loans.

On March 31, 2023, Novelis amended the Term Loan Facility, primarily to modify the reference rate used to determine interest from LIBOR to SOFR. Term loans under the Term Loan Facility will, beginning with the interest period commencing June 30, 2023, accrue interest at SOFR plus a 0.15% credit spread adjustment ("Adjusted SOFR") plus a spread of 1.75% in the case of the 2020 Term Loans, as defined below, or a spread of 2.00% in the case of the 2021 Term Loans, as defined below. During fiscal 2021, the Company adopted the practical expedient for Reference Rate Reform related to its debt arrangements and as such, this amendment is treated as a continuation of the existing debt agreement and no gain or loss on the modification was recorded. The Company did not record any gains or losses on the conversion of the reference rate for the borrowings under the Term Loan Facility from LIBOR to SOFR.

As of March 31, 2023, we were in compliance with the covenants for our Term Loan Facility.

2020 Term Loans

In April 2020, we borrowed \$775 million of term loans due January 2025 (the "2020 Term Loans") under our Term Loan Facility. The proceeds of the 2020 Term Loans were used to pay a portion of the consideration payable in the acquisition of Aleris (including the repayment of Aleris' outstanding indebtedness) as well as fees and expenses related to the acquisition of the 2020 Term Loans. We incurred debt issuance costs of \$15 million for the 2020 Term Loans, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2020 Term Loans mature on January 21, 2025 and are subject to 0.25% quarterly amortization payments. From April 2020 to immediately prior to the interest period commencing June 30, 2023, the 2020 Term Loans accrued and will continue to accrue interest at LIBOR plus 1.75%. Beginning with the interest period commencing June 30, 2023, the 2020 Term Loans will accrue interest at Adjusted SOFR plus 1.75%.

2021 Term Loans

In March 2021, we borrowed \$480 million of term loans due March 2028 (the "2021 Term Loans") under our Term Loan Facility, with an additional \$20 million being borrowed under the 2021 Term Loans in April 2021. We incurred debt issuance costs of \$9 million for the 2021 Term Loans, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2021 Term Loans mature on March 31, 2028 and are subject to 0.25% quarterly amortization payments. From April 2020 to immediately prior to the interest period commencing June 30, 2023, the 2021 Term Loans accrue interest at LIBOR plus 2.00%. Beginning with the interest period commencing June 30, 2023, the 2021 Term Loans will accrue interest at Adjusted SOFR plus 2.00%. The proceeds of the 2021 Term Loans were applied to repay a portion of the 2017 Term Loans.

Novelis Inc.
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ABL Revolver

As of March 31, 2023, the commitments under our senior secured ABL Revolver are \$2.0 billion.

In October 2021, Novelis amended the ABL Revolver facility. Prior to the USD LIBOR transition date, loans denominated in USD under the ABL Revolver accrued interest at a rate of LIBOR plus a spread of 1.25% to 1.75% based on excess availability. The amendment provides for replacement reference rates, as applicable, based on the currency of the loan, as well as applicable spreads on and after the USD LIBOR transition date. The USD LIBOR transition date is defined as the earlier of (a) when the ICE Benchmark Administration ceases to provide the USD LIBOR and there is no available tenor of USD LIBOR or the Financial Conduct Authority announces all available tenors of USD LIBOR are no longer representative or (b) an early opt-in effective date.

In April 2022, Novelis amended the ABL Revolver facility to increase the limit on committed letters of credit under the facility to \$275 million. There were no material costs incurred or accounting impacts as a result of this amendment.

In August 2022, Novelis amended the ABL Revolver facility to, among other things, increase the commitment under the ABL Revolver by \$500 million to \$2.0 billion and extend the maturity of the ABL Revolver until August 18, 2027. The amendment provides that new borrowings under the ABL Revolver facility made subsequent to the date of the amendment will incur interest at Term SOFR, EURIBOR, SONIA or SARON, as applicable based on the currency of the loan, plus a spread of 1.10% to 1.60% based on excess availability. The ABL Revolver facility also permits us to elect to borrow USD loans that accrue interest at a base rate (determined based on the greatest of one month Term SOFR plus 1.00%, a prime rate or an adjusted federal funds rate) plus a prime spread of 0.10% to 0.60% based on excess availability. As a result of this debt modification, the Company incurred \$7 million of financing fees, which will be amortized over the term of the loan.

The ABL Revolver has a provision that allows the existing commitments under the ABL Revolver to be increased by an additional \$750 million. The lenders under the ABL Revolver have not committed to provide any such additional commitments. The ABL Revolver has various customary covenants including maintaining a specified minimum fixed charge coverage ratio of 1.25 to 1.0 if an event of default has occurred and is continuing and/or excess availability is less than the greater of (1) \$150 million and (2) 10% of the lesser of the total ABL Revolver commitment and the borrowing base. The ABL Revolver matures on August 18, 2027, provided that in the event that the Term Loan Facility or certain other indebtedness is outstanding 60 days prior to its maturity (and not refinanced with a maturity date later than February 15, 2028), then the ABL Revolver will mature 60 days prior to the maturity date for such other indebtedness, as applicable; unless excess availability under the ABL Revolver is at least (1) 17.5% of the lesser of the total ABL Revolver commitment and the borrowing base or (2) 12.5% of the lesser of the total ABL Revolver commitment and the borrowing base, while also maintaining the minimum fixed charge ratio test of at least 1.25 to 1.

As of March 31, 2023, we were in compliance with the covenants for our ABL Revolver.

As of March 31, 2023, we had \$463 million in borrowings under our ABL Revolver. We utilized \$40 million of our ABL Revolver for letters of credit. We had availability of \$970 million on the ABL Revolver, including \$235 million of remaining availability which can be utilized for letters of credit.

Zhenjiang Loans

Through the Aleris acquisition, the Company assumed \$141 million in debt borrowed by Aleris Aluminum (Zhenjiang) Co., Ltd. under a loan agreement comprised of non-recourse multi-currency secured term loan facilities and a revolving facility (collectively the "Zhenjiang Loans"), which consisted of a \$29 million USD term loan facility, a \$112 million (RMB 791 million) term loan facility (collectively, the "Zhenjiang Term Loans"), and a revolving facility (the "Zhenjiang Revolver"). There were no balances outstanding under the Zhenjiang Revolver as of the date of the Aleris acquisition.

In May 2021, the Zhenjiang Term Loans were repaid in full, and the Zhenjiang Revolver matured having had no borrowings since the Aleris acquisition. As such, the covenants under the agreement are no longer in effect.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Senior Notes

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge, or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended. The Senior Notes include customary events of default, including a cross-acceleration event of default. The Senior Notes also contain customary call protection provisions for our bondholders that extend through November 2023 for the 3.250% Senior Notes due November 2026, through April 2024 for the 3.375% Senior Notes due April 2029, through January 2025 for the 4.750% Senior Notes due January 2030, and through August 2026 for the 3.875% Senior Notes due August 2031.

As of March 31, 2023, we were in compliance with the covenants for our Senior Notes.

5.875% Senior Notes due September 2026

In September 2016, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued \$1.5 billion in aggregate principal amount of 5.875% Senior Notes due September 2026.

The proceeds from the August 2021 issuance of the 2026 Senior Notes and the 2031 Senior Notes, as defined below, were used to fully fund the redemption of the 5.875% Senior Notes due September 2026. As a result, the 5.875% Senior Notes due September 2026 were no longer outstanding as of March 31, 2023.

2026 Senior Notes

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued \$750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes"). The 2026 Senior Notes mature on November 15, 2026 and are subject to semi-annual interest payments that will accrue at a rate of 3.250% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption of a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes. We incurred debt issuance costs of \$11 million for the 2026 Senior Notes, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

2029 Senior Notes

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount of 3.375% Senior Notes due April 2029 (the "2029 Senior Notes"). The 2029 Senior Notes are subject to semi-annual interest payments and mature on April 15, 2029. The proceeds were used to pay down a portion of the 2017 Term Loans, plus accrued and unpaid interest. In addition, we intend to allocate an amount equal to the net proceeds received from this issuance to finance and/or refinance new and/or existing eligible green projects, which are currently contemplated to consist of renewable energy or pollution prevention and control type projects. We incurred debt issuance costs of \$13 million for the 2029 Senior Notes, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

2030 Senior Notes

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued \$1.6 billion in aggregate principal amount of 4.750% Senior Notes due January 2030 (the "2030 Senior Notes"). The 2030 Senior Notes are subject to semi-annual interest payments and mature on January 30, 2030.

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2031 Senior Notes

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued \$750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes"). The 2031 Senior Notes mature on August 15, 2031 and are subject to semi-annual interest payments that will accrue at a rate of 3.875% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes. We incurred debt issuance costs of \$11 million for the 2031 Senior Notes, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

China Bank Loans

In September 2019, we entered into a credit agreement with the Bank of China to provide up to CNY 500 million in unsecured loans to support certain capital expansion projects in China. As of March 31, 2023, we had \$64 million (CNY 440 million) of borrowings on our China bank loans.

Brazil Loans

In December 2021, we borrowed \$30 million and \$20 million of bank loans in Brazil due June 16, 2023 and December 15, 2023, respectively. These bank loans are subject to 1.80% interest due in full at the respective maturity date.

Loss on Extinguishment of Debt, Net

During fiscal 2021, we incurred \$14 million in loss on extinguishment of debt, net, primarily related to the partial repayment of our 2017 Term Loans during fiscal 2021 and the early repayment of certain short-term debt.

During fiscal 2022, we recorded \$64 million in loss on extinguishment of debt, net. This primarily related to the write-off of unamortized debt issuance costs of \$13 million and a \$51 million cash payment of a redemption premium for the redemption of our 5.875% Senior Notes, due September 2026. Additionally, a loss on extinguishment of debt of \$2 million was recorded as a result of the repayment of our 2017 Term Loans, which was offset by a gain on extinguishment of debt of \$2 million resulting from the repayment of the Zhenjiang Term Loans.

During fiscal 2023, we did not incur any loss on extinguishment of debt, net.

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14. SHARE-BASED COMPENSATION

The Company's Board of Directors has authorized long-term incentive plans, under which Hindalco SARs, Novelis SARs, phantom RSUs, and Novelis PUs are granted to certain executive officers and key employees.

The Hindalco SARs vest at the rate of 33% per year, subject to the achievement of an annual performance target. Fiscal years ended March 31, 2016 SARs expire in May of the seventh year from the original grant date, while the fiscal year ended March 31, 2017 and onwards SARs expire seven years from their original grant date. The performance criterion for vesting of the Hindalco SARs is based on the actual overall Novelis operating EBITDA compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Given that the performance criterion is based on an earnings target in a future period for each fiscal year, the grant date of the awards for accounting purposes is generally not established until the performance criterion has been defined.

Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of the exercise. The amount of cash paid to settle Hindalco SARs and Novelis SARs is limited to three times the target payout, depending on the plan year. The Hindalco SARs and Novelis SARs do not transfer any shareholder rights in Hindalco or Novelis to a participant. The Hindalco SARs and Novelis SARs are classified as liability awards and are remeasured at fair value each reporting period until the SARs are settled.

The RSUs are based on Hindalco's stock price. The RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with the Company, but are not subject to performance criteria. Each RSU is to be settled in cash equal to the market value of one Hindalco share. The payout on the RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The RSUs are classified as liability awards and expensed over the requisite service period (three years) based on the Hindalco stock price as of each balance sheet date.

Total compensation expense related to Hindalco SARs, Novelis SARs, and RSUs under the plans for the respective periods is presented in the table below. These amounts are included in selling, general and administrative expenses in our consolidated statements of operations. As the performance criteria for the fiscal years ending March 31, 2024, 2025, and 2026 have not yet been established, measurement periods for Hindalco SARs relating to those periods have not yet commenced. As a result, only compensation expense for vested and current year Hindalco SARs and Novelis SARs has been recorded.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total compensation expense	\$ 15	\$ 40	\$ 41

The table below shows the RSUs activity for fiscal 2023.

	Number of RSUs	Grant Date Fair Value (in INR)	Aggregate Intrinsic Value (USD in millions)
RSUs outstanding as of March 31, 2022	5,413,720	216.17	\$ 33
Granted	4,426,815	411.08	22
Exercised	(2,802,837)	195.81	15
Forfeited/Cancelled	(156,546)	338.37	—
RSUs outstanding as of March 31, 2023	<u>6,881,152</u>	<u>347.07</u>	<u>35</u>

During fiscal 2022, we granted 1,787,910 RSUs with a grant date fair value of INR 388.30, and the aggregate intrinsic value of RSUs exercised was \$17 million.

During fiscal 2021, we granted 5,016,919 RSUs with a grant date fair value of INR 118.34, and the aggregate intrinsic value of RSUs exercised was \$4 million.

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Total cash payments made to settle RSUs were \$15 million, \$17 million, and \$4 million in fiscal 2023, fiscal 2022, and fiscal 2021, respectively.

As of March 31, 2023, unrecognized compensation expense related to the RSUs was \$15 million, which will be recognized over the remaining weighted average vesting period of 1.9 years.

The table below shows Hindalco SARs activity for fiscal 2023.

	Number of Hindalco SARs	Weighted Average Exercise Price (in INR)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (USD in millions)
Hindalco SARs outstanding as of March 31, 2022	8,285,624	207.88	5.2	\$ 41
Granted	2,393,378	411.10	6.3	—
Exercised	(3,581,435)	155.23	—	8
Forfeited/Cancelled	(94,196)	332.22	—	—
Hindalco SARs outstanding as of March 31, 2023	7,003,371	302.59	5.2	9
Hindalco SARs exercisable as of March 31, 2023	994,206	316.00	4.8	1

During fiscal 2022, we granted 2,411,503 Hindalco SARs with a grant date fair value of INR 388.30, and the aggregate intrinsic value of Hindalco SARs exercised was \$24 million.

During fiscal 2021, we granted 6,934,923 Hindalco SARs with a grant date fair value of INR 118.11, and the aggregate intrinsic value of Hindalco SARs exercised was \$9 million.

The cash payments made to settle Hindalco SAR liabilities were \$8 million, \$24 million, and \$9 million in fiscal 2023, fiscal 2022, and fiscal 2021, respectively.

As of March 31, 2023, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) was \$5 million that are expected to be recognized over a weighted average period of 1.3 years.

The table below shows the Novelis SARs activity for fiscal 2023.

	Number of Novelis SARs	Weighted Average Exercise Price (in USD)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (USD in millions)
Novelis SARs outstanding as of March 31, 2022	3,572	\$ 65.35	0.2	\$ —
Exercised	(2,297)	65.35	—	—
Forfeited/Cancelled	(1,275)	65.35	—	—
Novelis SARs outstanding as of March 31, 2023	—	—	—	—
Novelis SARs exercisable as of March 31, 2023	—	—	—	—

During fiscal 2022 there was no aggregate intrinsic value of Novelis SARs exercised. In fiscal 2021, the aggregate intrinsic value of Novelis SARs exercised was \$1 million.

There were no cash payments made to settle Novelis SAR liabilities for fiscal 2022. In fiscal 2021 there were \$1 million of cash payments made to settle Novelis SAR liabilities.

The fair value of each unvested Hindalco SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Risk-free interest rate	3.11%-7.24%	3.59%-6.58%	3.32%-6.18%
Dividend yield	1.03 %	0.48 %	0.32 %
Volatility	32%-47%	39%-50%	40%-57%

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The fair value of each unvested Novelis SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Risk-free interest rate	—%	0.23 %	0.03%-0.08%
Dividend yield	— %	— %	— %
Volatility	—%	29 %	28%-45%

The fair value of each unvested Hindalco SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used historical stock price volatility data of Hindalco on the National Stock Exchange of India to determine expected volatility assumptions. The risk-free interest rate is based on Indian treasury yields interpolated for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures. The dividend yield is estimated to be the annual dividend of the Hindalco stock over the remaining contractual lives of the Hindalco SARs. The value of each vested Hindalco SAR is remeasured at fair value each reporting period based on the excess of the current stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Hindalco SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

The fair value of each unvested Novelis SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used the historical volatility of comparable companies to determine expected volatility assumptions. The risk-free interest rate is based on U.S. treasury yields for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures of Hindalco SARs. The value of each vested Novelis SAR is remeasured at fair value each reporting period based on the percentage increase in the current Novelis phantom stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Novelis SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

15. POSTRETIREMENT BENEFIT PLANS

Our pension obligations relate to: (1) funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K., (2) funded and unfunded defined benefit pension plans in Germany, (3) unfunded lump sum indemnities payable upon retirement to employees in France and Italy, and (4) partially funded lump sum indemnities in South Korea. Our other postretirement obligations (other benefits, as shown in certain tables below) include unfunded health care and life insurance benefits provided to retired employees in the U.S., Canada, and Brazil. We have combined our domestic (i.e. Canadian Plans) and foreign (i.e. all plans other than Canadian Plans) postretirement benefit plan disclosures because our domestic benefit obligation is not significant as compared to our total benefit obligation. Our foreign benefit obligation is 97% of the total benefit obligation, and the assumptions used to value domestic and foreign plans were not significantly different.

The Company recognizes actuarial gains and losses and prior service costs in the consolidated balance sheet and recognizes changes in these amounts during the year in which changes occur through other comprehensive income (loss). The Company uses various assumptions when computing amounts relating to its defined benefit pension plan obligations and their associated expenses (including the discount rate and the expected rate of return on plan assets).

During the second quarter of fiscal 2021, Novelis announced the freeze of future benefit accruals under the Novelis Pension Plan and the Terre Haute Pension Plan in the U.S., effective December 31, 2020. Novelis elected to remeasure both plans' plan assets and obligations as of August 31, 2020, which was the nearest calendar month-end date to the announcements of said freezes. A curtailment loss of \$1 million was recorded related to the Terre Haute plan during fiscal 2021.

During the first quarter of fiscal 2022, Novelis announced the freeze of future benefit accruals under the Canada Pension Plan, effective for union participants as of December 31, 2021 and non-union participants as of December 31, 2023. Novelis remeasured the plan's assets and obligations as of April 30, 2021, which was the nearest calendar month-end to the announcement of this freeze. A curtailment gain of \$3 million was recorded related to the Canada Pension Plan during fiscal 2022.

During the second quarter of fiscal 2022, Novelis entered into an agreement to transfer the liabilities associated with a portion of the retirees and beneficiaries of the Canada Novelis Pension Plan to an insurer through a purchase of buy-out annuities. The premium payment was made to the insurer on August 10, 2021. Novelis remeasured the plan's assets and obligations as of July 31, 2021, which was the nearest calendar month-end to the premium payment for this settlement. The insurer took responsibility for the payments to these transferred members effective November 1, 2021. As a result of this transaction, a settlement gain of \$4 million was recorded during fiscal 2022.

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to-date and amortize unfunded actuarial liabilities typically over periods of 15 years or less. We also participate in savings plans in Canada and the U.S., as well as defined contribution pension plans in the U.S., the U.K., Canada, Germany, Italy, Switzerland, and Brazil.

We contributed the following amounts to all plans.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Funded pension plans	\$ 22	\$ 49	\$ 72
Unfunded pension plans	15	17	17
Savings and defined contribution pension plans	54	51	40
Total contributions	<u>\$ 91</u>	<u>\$ 117</u>	<u>\$ 129</u>

In fiscal 2021, contributions to funded pension plans of \$5 million and unfunded pension plans of \$1 million are attributable to discontinued operations. During fiscal 2024, we expect to contribute \$20 million to our funded pension plans, \$17 million to our unfunded pension plans, and \$55 million to our savings and defined contribution pension plans.

Benefit Obligations, Fair Value of Plan Assets, Funded Status, and Amounts Recognized in Financial Statements

The increase in the discount rates in fiscal 2023, as compared to fiscal 2022, was the primary driver of actuarial gains in fiscal 2023.

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The following tables present the change in benefit obligation, change in fair value of plan assets, and the funded status for pension and other benefits.

<i>in millions</i>	Pension Benefit Plans		Other Benefit Plans	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Benefit obligation at beginning of period	\$ 2,048	\$ 2,298	\$ 141	\$ 188
Service cost	26	31	4	9
Interest cost	61	56	6	7
Members' contributions	5	5	—	—
Benefits paid	(90)	(85)	(6)	(6)
Amendments	—	(4)	—	(39)
Curtailments, settlements and special termination benefits	—	(51)	—	—
Actuarial gains	(303)	(163)	(15)	(18)
Other	(3)	(3)	—	—
Currency gains	(39)	(36)	(2)	—
Benefit obligation at end of period	\$ 1,705	\$ 2,048	\$ 128	\$ 141
Benefit obligation of funded plans	\$ 1,377	\$ 1,640	\$ —	\$ —
Benefit obligation of unfunded plans	328	408	128	141
Benefit obligation at end of period	\$ 1,705	\$ 2,048	\$ 128	\$ 141

<i>in millions</i>	Pension Benefit Plans	
	Fiscal 2023	Fiscal 2022
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	\$ 1,526	\$ 1,596
Actual return on plan assets	(172)	11
Members' contributions	5	5
Benefits paid	(90)	(86)
Company contributions	38	66
Settlements	—	(48)
Other	(4)	(4)
Currency losses	(28)	(14)
Fair value of plan assets at end of period	\$ 1,275	\$ 1,526

<i>in millions</i>	March 31,			
	2023		2022	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	\$ (101)	\$ —	\$ (114)	\$ —
Benefit obligation of unfunded plans	(328)	(128)	(408)	(141)
Total net plan liabilities	\$ (429)	\$ (128)	\$ (522)	\$ (141)
As included in our consolidated balance sheets within Total assets / (Total liabilities)				
Other long-term assets	\$ 23	\$ —	\$ 29	\$ —
Accrued expenses and other current liabilities	(17)	(8)	(16)	(7)
Accrued postretirement benefits	(435)	(120)	(535)	(134)
Total net plan liabilities	\$ (429)	\$ (128)	\$ (522)	\$ (141)

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The postretirement amounts recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments. Amounts are amortized to net periodic benefit cost over the group's average future service life of the employees or the group's average life expectancy.

<i>in millions</i>	March 31,			
	2023		2022	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Net actuarial gains (losses)	\$ 24	\$ 36	\$ (83)	\$ 23
Prior service credit	10	38	12	42
Total postretirement amounts recognized in accumulated other comprehensive loss	\$ 34	\$ 74	\$ (71)	\$ 65

The postretirement changes recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments.

<i>in millions</i>	March 31,			
	2023		2022	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	\$ (71)	\$ 65	\$ (214)	\$ 10
Curtailments, settlements, and special termination benefits	—	—	(7)	—
Plan amendment	—	—	—	39
Net actuarial gains	98	15	118	18
Prior service cost	—	—	4	—
Amortization of:				
Prior service credit	(2)	(4)	(1)	(2)
Actuarial losses (gains)	9	(2)	22	—
Effect of currency exchange	—	—	7	—
Total postretirement amounts recognized in accumulated other comprehensive loss	\$ 34	\$ 74	\$ (71)	\$ 65

Pension Plan Obligations

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets are presented in the table below.

<i>in millions</i>	March 31,	
	2023	2022
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	\$ 1,705	\$ 2,048
Accumulated benefit obligation	1,644	1,966
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	\$ 1,413	\$ 1,603
Fair value of plan assets	961	1,053
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	\$ 1,323	\$ 1,524
Fair value of plan assets	919	1,042
Pension plans with projected benefit obligations less than plan assets:		
Projected benefit obligation	\$ 292	\$ 444
Fair value of plan assets	315	473

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Future Benefit Payments

Expected benefit payments to be made during the next 10 fiscal years are listed in the table below (in millions).

Fiscal Year Ending March 31,	Pension Benefit Plans	Other Benefit Plans
2024	\$ 98	\$ 8
2025	105	9
2026	103	9
2027	109	9
2028	114	10
2029 through 2033	592	56
Total	\$ 1,121	\$ 101

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost for the respective periods are listed in the table below.

<i>in millions</i>	Pension Benefit Plans			Other Benefit Plans		
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Service cost	\$ 26	\$ 31	\$ 42	\$ 4	\$ 9	\$ 10
Interest cost	61	56	55	6	7	7
Expected return on assets	(72)	(77)	(73)	—	—	—
Amortization — losses (gains), net	9	19	44	(2)	—	—
Amortization — prior service credit	(2)	(1)	(1)	(4)	(2)	—
Settlement/curtailment (gain) loss	—	(7)	1	—	—	—
Net periodic benefit cost⁽¹⁾	22	21	68	4	14	17
Proportionate share of non-consolidated affiliates' pension costs	7	10	12	—	—	—
Total net periodic benefit cost recognized	\$ 29	\$ 31	\$ 80	\$ 4	\$ 14	\$ 17

(1) Service cost is included within cost of goods sold (exclusive of depreciation and amortization) and selling, general and administrative expenses while all other cost components are recorded within other expenses (income), net.

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Actuarial Assumptions and Sensitivity Analysis

The weighted average assumptions used to determine benefit obligations and net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans			Other Benefit Plans		
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Weighted average assumptions used to determine benefit obligations						
Discount rate	4.5 %	3.1 %	2.5 %	5.5 %	4.0 %	3.4 %
Average compensation growth	3.1	3.1	3.1	3.0	3.0	3.0
Weighted average assumptions used to determine net periodic benefit cost						
Discount rate	3.1 %	2.5 %	2.6 %	4.0 %	3.4 %	3.4 %
Average compensation growth	3.1	3.1	3.1	3.0	3.0	3.3
Expected return on plan assets	4.8	4.9	5.1	—	—	—
Cash balance interest crediting rate	1.4	0.8	0.5	—	—	—

In selecting the appropriate discount rate for each plan, for pension and other postretirement plans in Canada, the U.S., the U.K., and other eurozone countries, we used spot rate yield curves and individual bond matching models. For other countries, we used published long-term high quality corporate bond indices with adjustments made to the index rates based on the duration of the plans' obligation.

In estimating the expected return on assets of a pension plan, consideration is given primarily to its target allocation, the current yield on long-term bonds in the country where the plan is established, and the historical risk premium of equity or real estate over long-term bond yields in each relevant country. The approach is consistent with the principle that assets with higher risk provide a greater return over the long term. The expected long-term rate of return on plan assets is 6.1% in fiscal 2024.

We provide unfunded health care and life insurance benefits to our retired employees in Canada, the U.S., the U.K., and Brazil, for which we paid \$6 million, \$6 million, and \$7 million in fiscal 2023, 2022, and 2021, respectively. The assumed health care cost trend used for measurement purposes is 7.4% for fiscal 2024, decreasing gradually to 5.1% in 2033 and remaining at that level thereafter.

In addition, we provide post-employment benefits, including disability, early retirement, and continuation of benefits (medical, dental, and life insurance) to our former or inactive employees, which are accounted for on the accrual basis in accordance with ASC 712. As of March 31, 2023, other long-term liabilities and accrued expenses and other current liabilities on our consolidated balance sheets include \$6 million and \$5 million, respectively, for these benefits. Comparatively, as of March 31, 2022, other long-term liabilities and accrued expenses and other current liabilities on our consolidated balance sheets include \$10 million and \$5 million, respectively, for these benefits.

Investment Policy and Asset Allocation

The Company's overall investment strategy is to achieve a mix of approximately 50% of investments for long-term growth (equities, real estate) and 50% for near-term benefit payments (debt securities, other) with a wide diversification of asset categories, investment styles, fund strategies, and fund managers. Since most of the defined benefit plans are closed to new entrants, we expect this strategy to gradually shift more investments toward near-term benefit payments.

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Each of our funded pension plans is governed by an Investment Fiduciary, who establishes an investment policy appropriate for the pension plan. The Investment Fiduciary is responsible for selecting the asset allocation for each plan, monitoring investment managers, monitoring returns versus benchmarks, and monitoring compliance with the investment policy. The targeted allocation ranges by asset class and the actual allocation percentages for each class are listed in the table below.

Asset Category	Target Allocation Ranges	Allocation in Aggregate as of March 31,	
		2023	2022
Equity	10-45%	27 %	32 %
Fixed income	20-89%	37 %	49 %
Real estate	4-25%	7 %	3 %
Other	1-100%	29 %	16 %

Fair Value of Plan Assets

The following pension plan assets are measured and recognized at fair value on a recurring basis. See [Note 19 – Fair Value Measurements](#) for a description of the fair value hierarchy. The U.S. and Canadian pension plan assets are invested exclusively in commingled funds and measured at net asset value, and the U.K., Switzerland, and South Korea pension plan assets are invested in both direct investments (Levels 1 and 2) and commingled funds (Level 2).

Pension Plan Assets

in millions	March 31, 2023				March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fixed income	\$ 101	\$ 57	\$ —	\$ 158	\$ 112	\$ 57	\$ —	\$ 169
Cash and cash equivalents	4	—	—	4	8	—	—	8
Other	5	3	—	8	5	4	—	9
Investments measured at net asset value ⁽¹⁾	—	—	—	1,105	—	—	—	1,340
Total	\$ 110	\$ 60	\$ —	\$ 1,275	\$ 125	\$ 61	\$ —	\$ 1,526

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

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16. CURRENCY LOSSES (GAINS)

The following currency losses are included in other expenses (income), net in the accompanying consolidated statements of operations.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
(Gains) losses on remeasurement of monetary assets and liabilities, net	\$ (33)	\$ 5	\$ 6
Losses (gains) recognized on balance sheet remeasurement currency exchange contracts, net	54	(4)	(3)
Currency losses, net	<u>\$ 21</u>	<u>\$ 1</u>	<u>\$ 3</u>

The following currency losses are included in accumulated other comprehensive loss and noncontrolling interests in the accompanying consolidated balance sheets.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cumulative currency translation adjustment — beginning of period	\$ (166)	\$ (95)	\$ (309)
Effect of changes in exchange rates	(127)	(71)	244
Amounts reclassified from accumulated other comprehensive loss, net ⁽¹⁾	—	—	(30)
Cumulative currency translation adjustment — end of period	<u>\$ (293)</u>	<u>\$ (166)</u>	<u>\$ (95)</u>

(1) Amounts reclassified from accumulated other comprehensive loss during fiscal 2021 are due to the sale of Duffel.

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17. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2023 and 2022.

<i>in millions</i>	March 31, 2023					
	Assets		Liabilities		Net Fair Value	
	Current	Noncurrent⁽¹⁾	Current	Noncurrent⁽¹⁾	Assets/(Liabilities)	
Derivatives designated as hedging instruments:						
<i>Cash flow hedges</i>						
Metal contracts	\$ 37	\$ —	\$ (31)	\$ —	\$	6
Currency exchange contracts	26	4	(19)	(1)		10
Energy contracts	3	—	(4)	—		(1)
Total derivatives designated as hedging instruments	\$ 66	\$ 4	\$ (54)	\$ (1)	\$	15
Derivatives not designated as hedging instruments:						
Metal contracts	\$ 66	\$ —	\$ (52)	\$ (2)	\$	12
Currency exchange contracts	13	3	(22)	(3)		(9)
Energy contracts	—	—	(2)	—		(2)
Total derivatives not designated as hedging instruments	\$ 79	\$ 3	\$ (76)	\$ (5)	\$	1
Total derivative fair value	\$ 145	\$ 7	\$ (130)	\$ (6)	\$	16

	March 31, 2022					
	Assets		Liabilities		Net Fair Value	
	Current	Noncurrent⁽¹⁾	Current	Noncurrent⁽¹⁾	Assets/(Liabilities)	
Derivatives designated as hedging instruments:						
<i>Cash flow hedges</i>						
Metal contracts	\$ 10	\$ —	\$ (535)	\$ (7)	\$	(532)
Currency exchange contracts	30	8	(28)	(1)		9
Energy contracts	22	6	—	—		28
Total derivatives designated as hedging instruments	\$ 62	\$ 14	\$ (563)	\$ (8)	\$	(495)
Derivatives not designated as hedging instruments:						
Metal contracts	\$ 290	\$ 3	\$ (372)	\$ (2)	\$	(81)
Currency exchange contracts	22	—	(24)	—		(2)
Energy contracts	3	—	—	—		3
Total derivatives not designated as hedging instruments	\$ 315	\$ 3	\$ (396)	\$ (2)	\$	(80)
Total derivative fair value	\$ 377	\$ 17	\$ (959)	\$ (10)	\$	(575)

(1) The noncurrent portions of derivative assets and liabilities are included in other long-term assets and in other long-term liabilities, respectively, in the accompanying consolidated balance sheets.

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Metal

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative forward contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers, which is known as "metal price lag." We also purchase forward LME aluminum contracts simultaneously with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the selling price of the metal with the purchase price of the metal. The volatility in local market premiums also results in metal price lag.

Price risk arises due to fluctuating aluminum prices between the time the sales order is committed and the time the order is shipped. We identify and designate certain LME aluminum forward purchase contracts as cash flow hedges of the metal price risk associated with our future metal purchases that vary based on changes in the price of aluminum. Generally, such exposures do not extend beyond one year in length. The average duration of those contracts is less than one year.

Price risk exposure arises due to the timing lag between the LME based pricing of raw material aluminum purchases and the LME based pricing of finished product sales. We identify and designate certain LME aluminum forward sales contracts as cash flow hedges of the metal price risk associated with our future metal sales that vary based on changes in the price of aluminum. Generally, such exposures do not extend beyond two years in length. The average duration of those contracts is less than one year.

In addition to aluminum, we entered into LME copper and zinc forward contracts, as well as local market premiums forward contracts. As of March 31, 2023 and March 31, 2022, the fair value of these contracts were an asset of less than \$1 million and \$4 million, respectively. These contracts are undesignated, with an average duration of less than one year.

The following table summarizes our notional amount.

<i>in kt</i>	March 31,	
	2023	2022
Hedge type		
<i>Purchase (sale)</i>		
Cash flow purchases	1	6
Cash flow sales	(699)	(910)
Not designated	(144)	(16)
Total, net	(842)	(920)

Foreign Currency

We use foreign exchange forward contracts and cross-currency swaps to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

We use foreign currency contracts to hedge expected future foreign currency transactions, which include capital expenditures. These contracts cover the same periods as known or expected exposures. We had total notional amounts of \$1.2 billion and \$1.3 billion in outstanding foreign currency forwards designated as cash flow hedges as of March 31, 2023 and 2022, respectively.

As of March 31, 2023, and 2022, we had outstanding foreign currency exchange contracts with a total notional amount of \$1.7 billion and \$1.7 billion, respectively, to primarily hedge balance sheet remeasurement risk, which were not designated as hedges. Contracts representing the majority of this notional amount will mature by the first and second quarter of fiscal 2024 and offset the remeasurement impact.

Energy

We use natural gas forward purchase contracts to manage our exposure to fluctuating energy prices in North America. We had a notional of 7 million MMBtu designated as cash flow hedges as of March 31, 2023, and the fair value was liability of less than \$1 million. There was a notional of 10 million MMBtu of natural gas forward purchase contracts designated as cash flow hedges as of March 31, 2022, and the fair value was an asset of \$25 million. As of March 31, 2023 and 2022, we had notionals of less than 1 million MMBtu of forward contracts that were not designated as hedges. The fair value of forward contracts not designated as hedges as of March 31, 2023, was a liability of less than \$1 million and as of March 31, 2022 was an asset of \$2 million. The average duration of these contracts is two years in length.

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We use diesel fuel forward purchase contracts to manage our exposure to fluctuating fuel prices in North America and Europe. We had a notional of 1 million gallons designated as cash flow hedges as of March 31, 2023, and the fair value was liability of less than \$1 million. There was a notional of 4 million gallons designated as cash flow hedges as of March 31, 2022, and the fair value was an asset of \$3 million. As of March 31, 2023, and 2022 we had notional of less than 1 million MT of forward contracts that were not designated as hedges. The fair value of forward contracts not designated as hedges as of March 31, 2023, was a liability of less than \$1 million and as of March 31, 2022 was an asset of \$1 million. The average duration of all diesel fuel forward purchase contracts is less than one year in length.

(Gain) Loss Recognition

The following table summarizes the (gains) losses associated with the change in fair value of derivative instruments not designated as hedges and the excluded portion of designated derivatives recognized in other expenses (income), net. (Gains) losses recognized in other line items in the consolidated statement of operations are separately disclosed within this footnote.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Derivative instruments not designated as hedges			
Metal contracts	\$ 63	\$ 36	\$ 34
Currency exchange contracts	58	(19)	(3)
Energy contracts ⁽¹⁾	(3)	(8)	(7)
Loss recognized in other expenses (income), net	\$ 118	\$ 9	\$ 24
Derivative instruments designated as hedges			
Gain recognized in other expenses (income), net ⁽²⁾	\$ (4)	\$ —	\$ —
Total loss recognized in other expenses (income), net	\$ 114	\$ 9	\$ 24
Losses (gains) recognized on balance sheet remeasurement currency exchange contracts, net	\$ 54	\$ (4)	\$ (3)
Realized losses (gains), net	83	(15)	16
Unrealized (gains) losses on other derivative instruments, net	(23)	28	11
Total loss recognized in other expenses (income), net	\$ 114	\$ 9	\$ 24

(1) Includes amounts related to diesel and natural gas swaps not designated as hedges and electricity swap settlements.

(2) Amount includes forward market premium/discount excluded from hedging relationship and releases to income from accumulated other comprehensive loss on balance sheet remeasurement contracts.

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The following table summarizes the impact on accumulated other comprehensive loss and earnings of derivative instruments designated as cash flow and net investment hedges. Within the next twelve months, we expect to reclassify \$22 million of gains from accumulated other comprehensive loss to earnings, before taxes.

<i>in millions</i>	Amount of Gain (Loss) Recognized in Other comprehensive income (loss) (Effective Portion)			Amount of Gain (Loss) Recognized in Other expenses (income), net (Ineffective and Excluded Portion)		
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cash flow hedging derivatives						
Metal contracts	\$ 951	\$ (1,159)	\$ (274)	\$ —	\$ —	\$ —
Currency exchange contracts	(55)	6	(4)	4	1	—
Energy contracts	(2)	47	5	—	—	—
Total	<u>\$ 894</u>	<u>\$ (1,106)</u>	<u>\$ (273)</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ —</u>

Gain (Loss) Reclassification

<i>in millions</i>	Amount of Gain (Loss) Reclassified from Accumulated other comprehensive loss into Income/(Expense) (Effective Portion)			Location of Gain (Loss) Reclassified from Accumulated other comprehensive loss into Earnings
	Fiscal 2023	Fiscal 2022	Fiscal 2021	
Cash flow hedging derivatives				
Energy contracts ⁽¹⁾	\$ 32	\$ 11	\$ (11)	Cost of goods sold (exclusive of depreciation and amortization)
Metal contracts	—	9	(13)	Cost of goods sold (exclusive of depreciation and amortization)
Metal contracts	332	(711)	(57)	Net sales
Currency exchange contracts	18	8	(45)	Cost of goods sold (exclusive of depreciation and amortization)
Currency exchange contracts	1	1	(4)	Selling, general and administrative expenses
Currency exchange contracts	(57)	(12)	3	Net sales
Currency exchange contracts	(5)	(3)	(2)	Depreciation and amortization
Total	321	(697)	(129)	Income from continuing operations before income tax provision
	(76)	181	36	Income tax provision
	<u>\$ 245</u>	<u>\$ (516)</u>	<u>\$ (93)</u>	Net income from continuing operations

(1) Includes amounts related to electricity, natural gas, and diesel swaps.

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The following tables summarize the location and amount of gain (loss) that was reclassified from accumulated other comprehensive loss into earnings and the amount excluded from the assessment of effectiveness for the three months ended March 31, 2023, and March 31, 2022.

	Three Months Ended March 31, 2023				
	Net sales	Cost of goods sold (exclusive of depreciation and amortization)	Selling, general and administrative expenses	Depreciation and amortization	Other expenses (income), net
<i>in millions</i>					
Gain (loss) on cash flow hedging relationships:					
Metal commodity contracts:					
Amount of gain reclassified from accumulated other comprehensive loss into income	\$ 46	\$ —	\$ —	\$ —	\$ —
Energy commodity contracts:					
Amount of gain reclassified from accumulated other comprehensive loss into income	\$ —	\$ 5	\$ —	\$ —	\$ —
Foreign exchange contracts:					
Amount of gain (loss) reclassified from accumulated other comprehensive loss into income	\$ (11)	\$ 2	\$ —	\$ (1)	\$ —

	Three Months Ended March 31, 2022				
	Net sales	Cost of goods sold (exclusive of depreciation and amortization)	Selling, general and administrative expenses	Depreciation and amortization	Other expenses (income), net
<i>in millions</i>					
Gain (loss) on cash flow hedging relationships:					
Metal commodity contracts:					
Amount of (loss) reclassified from accumulated other comprehensive loss into income	\$ (262)	\$ —	\$ —	\$ —	\$ —
Energy commodity contracts:					
Amount of gain reclassified from accumulated other comprehensive loss into income	\$ —	\$ 5	\$ —	\$ —	\$ —
Foreign exchange contracts:					
Amount of gain (loss) reclassified from accumulated other comprehensive loss into income	\$ (6)	\$ 4	\$ 1	\$ (1)	\$ —

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18. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the change in the components of accumulated other comprehensive loss, excluding noncontrolling interests, for the periods presented.

<i>in millions</i>	Currency Translation	Cash Flow Hedges⁽¹⁾	Postretirement Benefit Plans⁽²⁾	Total
Balance as of March 31, 2020	\$ (309)	\$ (26)	\$ (285)	\$ (620)
Other comprehensive income (loss) before reclassifications	244	(200)	114	158
Amounts reclassified from accumulated other comprehensive loss, net	(30)	93	33	96
Net current-period other comprehensive income (loss)	214	(107)	147	254
Balance as of March 31, 2021	\$ (95)	\$ (133)	\$ (138)	\$ (366)
Other comprehensive (loss) income before reclassifications	(71)	(818)	111	(778)
Amounts reclassified from accumulated other comprehensive loss, net ⁽³⁾	—	516	8	524
Net current-period other comprehensive (loss) income	(71)	(302)	119	(254)
Balance as of March 31, 2022	\$ (166)	\$ (435)	\$ (19)	\$ (620)
Other comprehensive (loss) income before reclassifications	(127)	675	79	627
Amounts reclassified from accumulated other comprehensive loss, net	—	(245)	—	(245)
Net current-period other comprehensive (loss) income	(127)	430	79	382
Balance as of March 31, 2023	\$ (293)	\$ (5)	\$ 60	\$ (238)

(1) For additional information on our cash flow hedges, see [Note 17 – Financial Instruments and Commodity Contracts](#).

(2) For additional information on our postretirement benefit plans, see [Note 15 – Postretirement Benefit Plans](#).

(3) Amounts reclassified from accumulated other comprehensive loss related to currency translation are due to the sale of Duffel.

19. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our consolidated balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as to what market participants would use in pricing the asset or liability.

The following describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2023 and March 31, 2022, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

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The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2023, and March 31, 2022. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

<i>in millions</i>	March 31,			
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	\$ 103	\$ (85)	\$ 303	\$ (916)
Currency exchange contracts	46	(45)	60	(53)
Energy contracts	3	(6)	31	—
Total level 2 instruments	\$ 152	\$ (136)	\$ 394	\$ (969)
Netting adjustment⁽¹⁾	(72)	72	(236)	236
Total net	\$ 80	\$ (64)	\$ 158	\$ (733)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

In addition to our derivative assets and liabilities held at fair value, our consolidated balance sheet as of March 31, 2022 includes a Level 3 receivable related to the contingent consideration for the sale of Duffel to ALVANCE. Upon closing on September 30, 2020, we recorded a receivable at a fair value of €93 million (\$109 million) measured based on the anticipated outcome, timeline of arbitration of greater than one year, and a discount rate of 5%. During the first quarter of fiscal 2022, Novelis marked all outstanding receivables related to the sale of Duffel to an estimated fair value of €45 million (\$53 million), which resulted in a loss of €51 million (\$61 million) recorded in loss from discontinued operations, net of tax. As further discussed in [Note 3 – Discontinued Operations](#), in December 2022, the Company reached an agreement with the current owner of Duffel, where the outstanding contingent consideration receivable was settled in exchange for €5 million (\$5 million) in cash and a note receivable in the amount of €40 million (\$41 million). The note receivable is not carried at fair value, but we will continue to assess its collectibility on a quarterly basis. The fair value of the note receivable is determined using Level 2 inputs and is materially consistent with the carrying value.

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes finance leases and short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

<i>in millions</i>	March 31,			
	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term receivables from related parties	\$ 3	\$ 3	\$ 1	\$ 1
Total debt — third parties (excluding finance leases and short-term borrowings)	4,939	4,652	4,963	4,912

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20. OTHER (INCOME) EXPENSES, NET

Other expenses (income), net consists of the following.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Currency losses, net ⁽¹⁾	\$ 21	\$ 1	\$ 3
Unrealized (gains) losses on change in fair value of derivative instruments, net ⁽²⁾	(23)	28	11
Realized losses (gains) on change in fair value of derivative instruments, net ⁽²⁾	83	(15)	16
Gain on sale of business ⁽³⁾	—	(15)	—
Loss on sale of assets, net	1	8	1
Loss (gain) on Brazilian tax litigation, net ⁽⁴⁾	1	(85)	(1)
Interest income	(20)	(9)	(9)
Non-operating net periodic benefit cost ⁽⁵⁾	(4)	(5)	33
Charitable contribution ⁽⁶⁾	—	—	50
Other, net ⁽⁷⁾	20	31	(1)
Other expenses (income), net	<u>\$ 79</u>	<u>\$ (61)</u>	<u>\$ 103</u>

(1) Includes losses (gains) recognized on balance sheet remeasurement currency exchange contracts, net. See [Note 16 – Currency Losses \(Gains\)](#) and [Note 17 – Financial Instruments and Commodity Contracts](#) for further details.

(2) See [Note 17 – Financial Instruments and Commodity Contracts](#) for further details.

(3) During the third quarter of fiscal 2022, Novelis sold 90% of its equity ownership in Saras Micro Devices, Inc., an early stage business founded by Novelis related to the development, design, manufacturing, and sale of aluminum-integrated passive devices for use in semiconductor and electronic systems. The sale resulted in a \$15 million gain on sale of business. As part of this transaction, we received \$9 million in cash upon close and approximately \$6 million in deferred cash receipts.

(4) See [Note 22 – Commitments and Contingencies](#) for further details.

(5) Represents net periodic benefit cost, exclusive of service cost, for the Company's pension and other post-retirement benefit plans. For further details, refer to [Note 15 – Postretirement Benefit Plans](#).

(6) Represents a charitable contribution for COVID-19 relief.

(7) Other, net for fiscal 2023, includes \$10 million from the release of certain accrued expenses. Other, net for fiscal 2022, includes \$18 million from the release of certain outstanding receivables.

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21. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our income from continuing operations before income tax provision (and after removing our equity in net income of non-consolidated affiliates) are as follows.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Domestic (Canada)	\$ 61	\$ 106	\$ (15)
Foreign (all other countries)	729	1,185	710
Pre-tax income before equity in net income of non-consolidated affiliates	<u>\$ 790</u>	<u>\$ 1,291</u>	<u>\$ 695</u>

The components of our income tax provision are as follows.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Current provision:			
Domestic (Canada)	\$ 3	\$ 9	\$ 6
Foreign (all other countries)	189	245	183
Total current	<u>\$ 192</u>	<u>\$ 254</u>	<u>\$ 189</u>
Deferred provision:			
Domestic (Canada)	\$ 9	\$ (54)	\$ —
Foreign (all other countries)	(54)	81	49
Total deferred	<u>\$ (45)</u>	<u>\$ 27</u>	<u>\$ 49</u>
Income tax provision	<u><u>\$ 147</u></u>	<u><u>\$ 281</u></u>	<u><u>\$ 238</u></u>

The reconciliation of the Canadian statutory tax rates to our effective tax rates are shown below.

<i>in millions, except percentages</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Pre-tax income before equity in net income of non-consolidated affiliates	<u>\$ 790</u>	<u>\$ 1,291</u>	<u>\$ 695</u>
Canadian statutory tax rate	<u>25 %</u>	<u>25 %</u>	<u>25 %</u>
Provision at the Canadian statutory rate	<u>\$ 198</u>	<u>\$ 323</u>	<u>\$ 174</u>
Increase (decrease) for taxes on income (loss) resulting from:			
Exchange translation items	9	14	19
Exchange remeasurement of deferred income taxes	(4)	10	(5)
Change in valuation allowances	(36)	(66)	23
Tax credits	(36)	(46)	(23)
Income items not subject to tax	(13)	(15)	(1)
State tax expense, net	3	(2)	(5)
Enacted tax rate changes	3	(6)	(2)
Tax rate differences on foreign earnings	19	65	48
Uncertain tax positions	3	5	6
Prior year adjustments	(13)	(6)	(1)
Income tax settlements	—	—	4
Non-deductible expenses and other, net	14	5	1
Income tax provision	<u>\$ 147</u>	<u>\$ 281</u>	<u>\$ 238</u>
Effective tax rate	<u>19 %</u>	<u>22 %</u>	<u>34 %</u>

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Our effective tax rate differs from the Canadian statutory rate for fiscal 2023 primarily due to the following factors: the results of operations taxed at foreign statutory tax rates that differ from the 25% Canadian tax rate, including withholding taxes; changes to the Brazilian real foreign exchange rate; changes in valuation allowances; and the availability of tax credits.

We earn tax credits in a number of the jurisdictions in which we operate. These are primarily composed of foreign tax credits in Canada of \$21 million, empire zone credits in New York of \$2 million, and R&D credits in the U.S. of \$8 million. The impact on our income tax provision of credits during fiscal 2023 was a benefit of \$36 million. However, legislation enacted in New York state on March 31, 2014, established a zero percent statutory income tax rate for manufacturers. As a result, the current year empire zone credits in New York are offset with a corresponding valuation allowance of \$2 million.

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

<i>in millions</i>	March 31,	
	2023	2022
Deferred income tax assets:⁽¹⁾		
Provisions not currently deductible for tax purposes	\$ 410	\$ 505
Tax losses/benefit carryforwards, net	924	998
Depreciation and amortization	97	93
Other assets	38	28
Total deferred income tax assets	1,469	1,624
Less: valuation allowance	(711)	(763)
Net deferred income tax assets	\$ 758	\$ 861
Deferred income tax liabilities:⁽¹⁾		
Depreciation and amortization	\$ 557	\$ 555
Inventory valuation reserves	153	199
Monetary exchange gains, net	29	28
Other liabilities	141	79
Total deferred income tax liabilities	\$ 880	\$ 861
Net deferred income tax liabilities	\$ 122	\$ —

(1) Certain amounts for 2022 were reclassified to conform with current period presentation, specifically derivatives and pensions.

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of \$711 million and \$763 million were necessary as of March 31, 2023, and 2022, respectively.

We continue to maintain valuation allowances in Canada and certain foreign jurisdictions primarily related to tax losses where we believe it is more likely than not that we will be unable to utilize those losses. The following table summarizes changes in the valuation allowances.

<i>in millions</i>	Balance at Beginning of Period	Deductions	Acquisition ⁽¹⁾	Additions	Balance at End of Period
Fiscal 2023	\$ 763	(57)	—	\$ 5	\$ 711
Fiscal 2022	821	(74)	—	16	763
Fiscal 2021	755	(12)	64	14	821

(1) Related to the acquisition of Aleris.

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During fiscal 2023, after considering all available evidence, we released a full valuation allowance on temporary items and tax attributes of legacy Aleris US entities in certain separate filer states and unitary filer states that require combined or separate reporting, resulting in an income tax benefit of \$10 million. Positive evidence included a recent history of three-year cumulative earnings as of March 31, 2023, and forecasted taxable earnings based on operations. We also released a full valuation allowance on temporary items and tax attributes of Aleris Aluminum (Zhenjiang) Co. Ltd. based on current results and the expectation of future profitability, resulting in an income tax benefit of \$29 million. During fiscal 2022, after considering all available evidence, we released a portion of the Canadian valuation allowance, resulting in an income tax benefit of \$73 million.

It is reasonably possible that our estimates of future taxable income may change within the next 12 months, resulting in a change to the valuation allowance in one or more jurisdictions.

As of March 31, 2023, we had net operating loss carryforwards of approximately \$772 million (tax effected) and tax credit carryforwards of \$152 million, which will be available to offset future taxable income and tax liabilities. The carryforwards began expiring in fiscal 2023. As of March 31, 2023, valuation allowances of \$511 million, \$113 million and \$87 million had been recorded against net operating loss carryforwards, tax credit carryforwards, and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are predominantly in Canada, the U.S., Germany, China, and Italy.

As of March 31, 2022, we had net operating loss carryforwards of approximately \$846 million (tax effected) and tax credit carryforwards of \$152 million, which will be available to offset future taxable income and tax liabilities. The carryforwards began expiring in fiscal 2022, with some amounts being carried forward indefinitely. As of March 31, 2022, valuation allowances of \$538 million, \$123 million, and \$102 million had been recorded against net operating loss carryforwards, tax credit carryforwards, and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are predominantly in Canada, the U.S., Germany, China, and Italy.

Although realization is not assured, management believes it is more likely than not that all the remaining net deferred tax assets will be realized. In the near term, the amount of deferred tax assets considered realizable could be reduced if we do not generate sufficient taxable income in certain jurisdictions.

As of March 31, 2023, we had cumulative earnings of approximately \$4 billion for which we had not provided Canadian income tax or withholding taxes because we consider them to be indefinitely reinvested. We acknowledge that we would need to accrue and pay taxes should we decide to repatriate cash and short-term investments generated from earnings of our foreign subsidiaries that are considered indefinitely reinvested. Except for those jurisdictions where we have already distributed and paid taxes on the earnings, we have reinvested and expect to continue to reinvest undistributed earnings of foreign subsidiaries indefinitely. Cash and cash equivalents held by foreign subsidiaries that are indefinitely reinvested are used to cover expansion and short-term cash flow needs of such subsidiaries. The amounts considered indefinitely reinvested would be subject to possible Canadian taxation only if remitted as dividends. However, due to our valuation allowance position of \$517 million in Canada, in excess of \$443 million of net operating loss carryforwards, exempt surpluses for Canadian tax purposes, \$34 million of tax credits, and other deferred tax assets of \$84 million, a portion of the cumulative earnings would not be taxed if distributed. Due to the complex structure of our international holdings and the various methods available for repatriation, quantification of the deferred tax liability, if any, associated with these undistributed earnings is not practicable.

Tax Uncertainties

As of March 31, 2023, and 2022, the total amount of unrecognized benefits that, if recognized, would affect the effective income tax rate in future periods based on anticipated settlement dates is \$73 million and \$71 million, respectively.

Tax authorities continue to examine certain other of our tax filings for the fiscal year ended March 31, 2005, and the fiscal years ended March 31, 2013, through March 31, 2019. Our reserves for unrecognized tax benefits, as well as reserves for interest and penalties, are expected to decrease in the next 12 months as a result of further settlement of audits, judicial decisions, the filing of amended tax returns, or the expiration of statutes of limitations. With few exceptions, tax returns for all jurisdictions for all tax years before 2005 are no longer subject to examination by taxing authorities.

Our policy is to record interest and penalties related to unrecognized tax benefits in income tax (benefit) provision on our consolidated statements of operations. As of March 31, 2023, 2022, and 2021, we accrued for interest and penalties of \$9 million, \$10 million, and \$11 million, respectively. During fiscal 2022 and fiscal 2021, we recognized tax benefit of \$2 million and tax expense of \$2 million related to changes in accrued interest and penalties, respectively. During fiscal 2023, we had no tax expense or benefit related to changes in accrued interest and penalties. The main driver of the benefit realized in fiscal 2022 was the reduction in interest rate for uncertain tax positions in Germany as provided under proposed legislation.

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the changes in unrecognized tax benefits.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Beginning balance of unrecognized tax benefits	\$ 71	\$ 69	\$ 27
Additions based on tax positions related to the current period	7	5	4
Additions based on tax positions of prior years ⁽¹⁾	28	2	39
Reductions based on tax positions of prior years ⁽²⁾	(32)	(1)	(1)
Settlements	—	—	(1)
Foreign exchange	(1)	(4)	1
Ending Balance of unrecognized tax benefits	<u>\$ 73</u>	<u>\$ 71</u>	<u>\$ 69</u>

(1) Additions based on tax positions of prior years in fiscal 2021 includes \$37 million from the acquisition of Aleris. Additions based on tax positions of prior years in fiscal year 2023 includes \$19 million for Novelis Germany.

(2) Reductions based on tax positions of prior years in fiscal 2023 includes \$24 million for positions of Aleris Germany for years prior to the acquisition of Aleris.

Income Taxes Payable

Our accompanying consolidated balance sheets include income taxes payable, net of \$108 million and \$101 million as of March 31, 2023, and 2022, respectively. Of these amounts, \$66 million and \$67 million are reflected in accrued expenses and other current liabilities as of March 31, 2023, and 2022, respectively.

22. COMMITMENTS AND CONTINGENCIES

We are party to, and may in the future be involved in or subject to, disputes, claims, and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury, and other matters. For certain matters in which the Company is involved for which a loss is reasonably possible, we are unable to estimate a loss. For certain other matters for which a loss is reasonably possible and the loss is estimable, we have estimated the aggregated range of loss as \$0 to \$69 million. This estimated aggregate range of reasonably possible losses is based upon currently available information. The Company's estimates involve significant judgment, and therefore, the estimate will change from time to time and actual losses may differ from the current estimate. We review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified, including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which we operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

Environmental Matters

We own and operate numerous manufacturing and other facilities in various countries around the world. Our operations are subject to environmental laws and regulations from various jurisdictions, which govern, among other things, air emissions; wastewater discharges; the handling, storage and disposal of hazardous substances and wastes; the remediation of contaminated sites and restoration of natural resources; carbon and other greenhouse gas emissions; and employee health and safety. Future environmental, health and safety regulations may impose stricter compliance requirements on the industries in which we operate. Additional equipment or process changes at some of our facilities, and related capital expenditures, which may be material, may be needed to meet existing or future requirements. The cost of meeting these requirements may be significant. Failure to comply with such laws and regulations could subject us to administrative, civil, or criminal penalties; obligations to pay damages or other costs; and injunctions and other orders, including orders to cease operations.

We are involved in proceedings under the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, also known as CERCLA or Superfund, or analogous state provisions regarding our liability arising from the usage, storage, treatment, or disposal of hazardous substances and wastes at a number of sites in the U.S., as well as similar proceedings under the laws and regulations of the other jurisdictions in which we have operations, including Brazil, certain countries in the European Union, and South Korea. Many of these jurisdictions have laws that impose joint and several liability, without regard to fault or the legality of the original conduct, for the costs of environmental, health and safety remediation, natural resource damages, third-party claims, and other expenses. In addition, we are, from time to time, subject to environmental, health and safety reviews and investigations by relevant governmental authorities.

We have established liabilities based on our estimates for currently anticipated costs associated with environmental matters. We estimate that the costs related to our environmental liabilities as of March 31, 2023, were \$37 million, of which \$19 million was related to undiscounted clean-up costs, \$15 million was associated with an increase in environmental reserves, and \$3 million was associated with restructuring actions. As of March 31, 2023, \$19 million is included in accrued expenses and other current liabilities and the remainder is within other long-term liabilities in our accompanying consolidated balance sheets. As of March 31, 2022, we reported \$35 million of total environmental liabilities in our consolidated balance sheet.

Brazil Tax Litigation

Under a federal tax dispute settlement program established by the Brazilian government, we have settled several disputes with Brazil's tax authorities regarding various forms of manufacturing taxes and social security contributions. In most cases, we are paying the settlement amounts over a period of 180 months, although in some cases we are paying the settlement amounts over a shorter period. Total settlement liabilities were \$11 million and \$18 million as of March 31, 2023, and March 31, 2022, respectively. As of March 31, 2023, \$7 million is included in accrued expenses and other current liabilities and the remainder is within other long-term liabilities in our accompanying consolidated balance sheets.

In addition to the disputes we have settled under the federal tax dispute settlement program, we are involved in several other unresolved tax and other legal claims in Brazil. Total liabilities for other disputes and claims were \$37 million and \$38 million as of March 31, 2023, and March 31, 2022, respectively. As of March 31, 2023, \$2 million is included in accrued expenses and other current liabilities and the remainder is within other long-term liabilities in our accompanying consolidated balance sheets. Additionally, we have included in the range of reasonably possible losses disclosed above any unresolved tax disputes or other contingencies for which a loss is reasonably possible and estimable. The interest cost recorded on these settlement liabilities offset by interest earned on the cash deposits is reported in other expenses (income), net on the consolidated statements of operations.

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During fiscal 2021, fiscal 2020, and fiscal 2019, we received multiple favorable rulings from the Brazilian court that recognized the right to exclude certain taxes from the tax base used to calculate contributions to the social integration program and social security contributions on gross revenues, also known as PIS and COFINS. As a result of these cases, we have the right to apply for tax credits for the amounts overpaid during specified tax years. These credits and corresponding interest can be used to offset various Brazilian federal taxes in future years.

The Brazilian Office of the Attorney General of the National Treasury sought clarification from the Brazilian Supreme Court of certain matters, including the calculation methodology (i.e. gross or net credit amount) and timing of these credits. Since the Brazilian Supreme Court had not yet confirmed the appropriate methodology when these favorable rulings were received, Novelis recorded this benefit in the corresponding periods based on the net credit amount.

However, during the first quarter of fiscal 2022, the Brazilian Supreme Court ruled that the credit should be calculated using the gross methodology for lawsuits filed prior to March 2017. As such, Novelis recorded additional income of \$76 million in other expenses (income), net, \$48 million of which is principal and \$29 million is interest, related to PIS and COFINS for the years 2009 to 2017, net of \$1 million in litigation expense.

During the third quarter of fiscal 2022, Novelis recorded \$5 million of additional income in other expenses (income), net, \$2 million of which is principal and \$3 million of which is interest, related to PIS and COFINS for certain periods.

This income is subject to income taxes and therefore, resulted in the recognition of income of \$64 million within net income.

The credit amounts, interest calculation, and supporting documentation are subject to further validation and scrutiny by tax authorities for five years after the credits are utilized. Thus, credits recognized may differ from these amounts.

In order to qualify for these credits, the Company is required to compile and present verifiable support validating the credits. During fiscal 2022, Novelis applied for and received official authorization from The Special Department of Federal Revenue of Brazil ("Receita Federal") to use the PIS and COFINS credits related to certain periods. Novelis was able to utilize a majority of these credits to offset taxes to be paid in fiscal 2022 and anticipates utilizing the remaining credits in the first quarter of fiscal 2023.

Additionally, during fiscal 2022, Novelis received a final favorable decision to allow the treatment of sales to the Manaus Free Trade Zone ("Manaus") as equivalent to exports that qualify for the tax benefit known as the Special Regime for Reinstatement of Tax Amounts to Exporting Companies ("Reintegra"), which confirmed Novelis' right to calculate the benefit for these sales to Manaus since August 2011. As a result, during fiscal 2022, Novelis recorded a \$12 million benefit, \$8 million of which is principal recorded in net sales and \$4 million is interest recorded in other expenses (income), net. These credits and corresponding interest can be used to offset various Brazilian federal taxes in future years. The credit amounts, interest calculation, and supporting documentation are subject to further validation and scrutiny by tax authorities for five years after the credits are utilized. Thus, credits recognized may differ from these amounts.

23. SEGMENT, GEOGRAPHICAL AREA, MAJOR CUSTOMER AND MAJOR SUPPLIER INFORMATION

Segment Information

Due in part to the regional nature of supply and demand of aluminum rolled products and to best serve our customers, we manage our activities based on geographical areas and are organized under four operating segments: North America, Europe, Asia, and South America. All of our segments manufacture aluminum sheet and light gauge products. We also manufacture aluminum plate products in Europe and Asia.

The following is a description of our operating segments.

North America. Headquartered in Atlanta, Georgia, this segment operates 17 plants, including seven with recycling operations, in two countries.

Europe. Headquartered in Küsnacht, Switzerland, this segment operates 10 plants, including five with recycling operations, in four countries.

Asia. Headquartered in Seoul, South Korea, this segment operates four plants, including two with recycling operations, in two countries.

South America. Headquartered in São Paulo, Brazil, this segment operates two plants in Brazil, including one with recycling operations.

Net sales and expenses are measured in accordance with the policies and procedures described in [Note 1 – Business and Summary of Significant Accounting Policies](#).

We measure the profitability and financial performance of our operating segments based on Adjusted EBITDA. Adjusted EBITDA provides a measure of our underlying segment results that is in line with our approach to risk management. We define Adjusted EBITDA as earnings before (a) depreciation and amortization; (b) interest expense and amortization of debt issuance costs; (c) interest income; (d) unrealized gains (losses) on change in fair value of derivative instruments, net, except for foreign currency remeasurement hedging activities, which are included in Adjusted EBITDA; (e) impairment of goodwill; (f) (gain) loss on extinguishment of debt, net; (g) noncontrolling interests' share; (h) adjustments to reconcile our proportional share of Adjusted EBITDA from non-consolidated affiliates to income as determined on the equity method of accounting; (i) restructuring and impairment, net; (j) gains or losses on disposals of property, plant and equipment and businesses, net; (k) other costs, net; (l) litigation settlement, net of insurance recoveries; (m) sale transaction fees; (n) income tax provision (benefit); (o) cumulative effect of accounting change, net of tax; (p) metal price lag; (q) business acquisition and other related costs; (r) purchase price accounting adjustments; (s) income (loss) from discontinued operations, net of tax; and (t) loss on sale of discontinued operations, net of tax.

Prior to fiscal 2023, we also utilized the term Segment Income to refer to Adjusted EBITDA. Both terms have the same definition and there is no difference in the composition or calculation of Adjusted EBITDA for the periods presented and Segment Income previously reported. Under ASC 280, Segment Reporting ("ASC 280"), our measure of segment profitability and financial performance of our operating segments is Adjusted EBITDA, and when used in this context, Adjusted EBITDA is a financial measure prepared in accordance with US GAAP.

The tables that follow show selected segment financial information. "Eliminations and Other" includes eliminations and functions that are managed directly from our corporate office that have not been allocated to our operating segments as well as the adjustments for proportional consolidation and eliminations of intersegment net sales. The financial information for our segments includes the results of our affiliates on a proportionately consolidated basis, which is consistent with the way we manage our business segments. In order to reconcile the financial information for the segments shown in the tables below to the relevant U.S. GAAP based measures, we must adjust proportional consolidation of each line item. The "Eliminations and Other" in net sales – third party includes the net sales attributable to our joint venture party, Tri-Arrows, for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP reporting purposes, but we manage our Logan affiliate on a proportionately consolidated basis. See [Note 9 – Consolidation](#) and [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for further information about these affiliates. Additionally, we eliminate intersegment sales and intersegment income for reporting on a consolidated basis.

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Selected Segment Financial Information

in millions

Selected Operating Results Fiscal 2023	North America	Europe	Asia	South America	Eliminations and Other⁽¹⁾	Total
Net sales – third party	\$ 7,550	\$ 4,910	\$ 2,824	\$ 2,743	\$ 459	\$ 18,486
Net sales – intersegment	—	149	190	150	(489)	—
Net sales	<u>\$ 7,550</u>	<u>\$ 5,059</u>	<u>\$ 3,014</u>	<u>\$ 2,893</u>	<u>\$ (30)</u>	<u>\$ 18,486</u>
Depreciation and amortization	\$ 224	\$ 160	\$ 87	\$ 81	\$ (12)	\$ 540
Income tax provision (benefit)	(39)	(6)	8	125	59	147
Capital expenditures	484	136	99	75	(8)	786
March 31, 2023						
Investment in and advances to non-consolidated affiliates	\$ —	\$ 540	\$ 337	\$ —	\$ —	\$ 877
Total assets	4,867	4,166	2,417	2,155	759	14,364

in millions

Selected Operating Results Fiscal 2022	North America	Europe	Asia	South America	Eliminations and Other⁽¹⁾	Total
Net sales – third party	\$ 6,735	\$ 4,545	\$ 2,916	\$ 2,576	\$ 377	\$ 17,149
Net sales – intersegment	—	175	120	62	(357)	—
Net sales	<u>\$ 6,735</u>	<u>\$ 4,720</u>	<u>\$ 3,036</u>	<u>\$ 2,638</u>	<u>\$ 20</u>	<u>\$ 17,149</u>
Depreciation and amortization	\$ 230	\$ 173	\$ 90	\$ 80	\$ (23)	\$ 550
Income tax (benefit) provision	48	38	61	174	(40)	281
Capital expenditures	172	104	88	88	(6)	446
March 31, 2022						
Investment in and advances to non-consolidated affiliates	\$ —	\$ 508	\$ 324	\$ —	\$ —	\$ 832
Total assets	5,084	4,535	2,627	2,115	735	15,096

in millions

Selected Operating Results Fiscal 2021	North America	Europe	Asia	South America	Eliminations and Other	Total
Net sales – third party	\$ 4,551	\$ 3,420	\$ 2,167	\$ 1,783	\$ 355	\$ 12,276
Net sales – intersegment	7	132	15	15	(169)	—
Net sales	<u>\$ 4,558</u>	<u>\$ 3,552</u>	<u>\$ 2,182</u>	<u>\$ 1,798</u>	<u>\$ 186</u>	<u>\$ 12,276</u>
Depreciation and amortization	\$ 235	\$ 173	\$ 88	\$ 71	\$ (24)	\$ 543
Income tax provision	(27)	22	62	123	58	238
Capital expenditures	184	99	113	94	(5)	485

(1) Total assets includes assets of discontinued operations.

Novelis Inc.
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The following table displays the reconciliation from net income attributable to our common shareholder to Adjusted EBITDA.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net income attributable to our common shareholder	\$ 658	\$ 954	\$ 236
Net (loss) income attributable to noncontrolling interests	(1)	1	1
Income tax provision	147	281	238
Loss from discontinued operations, net of tax	2	63	51
Loss on sale of discontinued operations, net of tax	—	—	170
Income from continuing operations before income tax provision	806	1,299	696
Depreciation and amortization	540	550	543
Interest expense and amortization of debt issuance costs	274	227	267
Adjustment to reconcile proportional consolidation ⁽¹⁾	53	56	56
Unrealized (gains) losses on change in fair value of derivative instruments, net	(23)	28	11
Realized (gains) losses on derivative instruments not included in Adjusted EBITDA ⁽²⁾	(4)	(2)	1
Gain on sale of a business ⁽³⁾	—	(15)	—
Loss on extinguishment of debt, net	—	64	14
Restructuring and impairment, net	33	1	29
Loss on sale of assets, net	1	8	1
Purchase price accounting adjustments ⁽⁴⁾	—	—	29
Metal price lag	130	(166)	6
Business acquisition and other related costs ⁽⁵⁾	—	—	11
Other, net ⁽⁶⁾	1	(5)	50
Adjusted EBITDA	\$ 1,811	\$ 2,045	\$ 1,714

(1) Adjustment to reconcile proportional consolidation relates to depreciation, amortization, and income taxes of our equity method investments. Income taxes related to our equity method investments are reflected in the carrying value of the investment and not in our consolidated income tax provision.

(2) Realized (gains) losses on derivative instruments not included in Adjusted EBITDA represents foreign currency derivatives not related to operations.

(3) Gain on sale of a business, net relates to Novelis' sale of 90% of its equity ownership in Saras Micro Devices, Inc. See [Note 20 – Other \(Income\) Expenses, net](#) for further details.

(4) Purchase price accounting adjustments for fiscal 2021 primarily relates to the relief of the inventory step-up related to the acquired Aleris business.

(5) Business acquisition and other related costs are primarily legal and professional fees associated with our acquisition of Aleris.

(6) For fiscal 2022, other, net includes \$36 million of interest income recognized as a result of Brazilian tax litigation settlements and interest income, partially offset by \$18 million from the release of certain outstanding receivables. For fiscal 2021, other, net primarily relates to a charitable contribution for COVID-19 relief as well as interest income.

The following table displays Adjusted EBITDA by reportable segment.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
North America	\$ 673	\$ 685	\$ 663
Europe	286	324	285
Asia	339	352	305
South America	522	681	449
Eliminations and Other	(9)	3	12
Adjusted EBITDA	\$ 1,811	\$ 2,045	\$ 1,714

Novelis Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Geographical Area Information

As of March 31, 2023, we had 33 operating facilities in nine countries. Net sales are attributed to geographical areas based on the origin of the sale. Long-lived assets and other intangible assets are attributed to geographical areas based on asset location and exclude investments in and advances to our non-consolidated affiliates and goodwill.

Net sales by geographical area follows.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
United States	\$ 7,861	\$ 6,982	\$ 4,782
Asia and Other Pacific	2,824	2,916	2,167
Brazil	2,743	2,576	1,783
Canada	148	130	124
Germany	4,323	4,003	3,015
Other Europe	587	542	405
Net sales	<u>\$ 18,486</u>	<u>\$ 17,149</u>	<u>\$ 12,276</u>

Long-lived assets and other intangible assets by geographical area follows.

<i>in millions</i>	March 31,	
	2023	2022
United States	\$ 2,593	\$ 2,231
Asia and Other Pacific	857	927
Brazil	830	829
Canada	52	54
Germany	528	548
Other Europe	629	658
Long-lived assets and other intangible assets	<u>\$ 5,489</u>	<u>\$ 5,247</u>

Information about Product Sales, Major Customers, and Primary Supplier

Product Sales

The following table displays our net sales by product end market.

<i>in millions</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021
Can	\$ 8,873	\$ 8,689	\$ 6,191
Specialty	4,986	4,616	3,207
Automotive	3,885	3,324	2,512
Aerospace and industrial plate	742	520	366
Net sales	<u>\$ 18,486</u>	<u>\$ 17,149</u>	<u>\$ 12,276</u>

Major Customers

The following table displays customers representing 10% or more of our net sales for any of the periods presented and their respective percentage of net sales.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Ball	16 %	17 %	15 %

Primary Supplier

Rio Tinto is our primary supplier of metal inputs, including prime and sheet ingot. The table below shows our purchases from Rio Tinto as a percentage of our total combined metal purchases.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Purchases from Rio Tinto as a percentage of total combined metal purchases	8 %	8 %	8 %

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, include controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the Principal Executive Officer and the Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met.

As required by the SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Form 10-K. This evaluation was carried out under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer. Based on this evaluation, our management, including our Principal Executive Officer and Principal Financial Officer, has concluded that our disclosure controls and procedures were effective as of March 31, 2023.

Management's Report on Internal Control over Financial Reporting

The report of management on our internal control over financial reporting as of March 31, 2023 is set forth in [Part II, Item 8. Financial Statements and Supplementary Data](#) in this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our Directors

Our Board of Directors is currently comprised of seven directors. All of our directors were appointed by our sole shareholder, Hindalco. Our directors' terms will expire at each annual shareholder meeting, provided that if an election of directors is not held at an annual shareholder meeting, the directors then in office shall continue in office or until their successors shall be elected. Biographical details for each of our directors set forth below are as of April 30, 2023.

Name	Director Since	Age	Position
Kumar Mangalam Birla	May 15, 2007	55	Chairman of the Board
Clarence J. Chandran ⁽¹⁾⁽²⁾	January 6, 2005	74	Director
Gary Comerford	February 7, 2020	73	Director
Dr. Thomas M. Connelly, Jr.	February 7, 2020	71	Director
Satish Pai ⁽¹⁾	August 6, 2013	61	Director
Vikas Sehgal	February 7, 2020	48	Director
Donald A. Stewart ⁽²⁾	May 15, 2007	76	Director

(1) Member of our Compensation Committee

(2) Member of our Audit Committee

Mr. Kumar Mangalam Birla was elected as the Chairman of the Board of Directors of Novelis on May 15, 2007. Mr. Birla is the Chairman of Hindalco Industries Limited which is an industry leader in aluminum and copper. He is also the Chairman of Aditya Birla Group's leading blue-chip companies including Grasim Industries, UltraTech Cement, Aditya Birla Capital Limited and Aditya Birla Fashion & Retail. Mr. Birla also serves as director on the Board of Aditya Birla Management Corporation Private Limited (as Executive Chairman) and the Group's international companies spanning Thailand, Indonesia, and Egypt. Additionally, Mr. Birla is the Chancellor and member of the Board of Governors of the Birla Institute of Technology & Science, Pilani and has also served as Chairman of the Board of Governors Indian Institute of Management, Ahmedabad and Indian Institute of Technology, Delhi. He is a member of the London Business School's Asia Pacific Advisory Board and has been a member of the National Council of the Confederation of Indian Industry. Mr. Birla's past affiliations include service on the Boards of Maruti Udyog Limited, Tata Iron and Steel Co. Limited, and Air India Limited (as a part-time non-official Director). He was a Director on the Central Board of Directors of the Reserve Bank of India and part-time member on the Board of Securities and Exchange Board of India, and part time non official director of Air India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and served on the Prime Minister of India's Advisory Council on Trade and Industry. Over the years, Mr. Birla has been conferred several prestigious awards and honors by leading institutions like EY, Forbes, Economic Times, CNBC, CNN-News18, World Economic Forum, etc. Most recently, he was honored with the prestigious Padma Bhushan award (one of India's highest civilian honors) by the Honorable President of India. The award is a testimony to his remarkable journey as an industrialist, businessman, and philanthropist. A Commerce graduate of Bombay University, Mr. Birla is a Chartered Accountant, a member of the Institute of Chartered Accountants of India. He earned an MBA from the London Business School. Mr. Birla brings to the Board significant global leadership experience acquired through his service as a director of numerous corporate, professional and regulatory entities in various regions of the world.

Clarence J. Chandran has been a director of the Company since 2005. Mr. Chandran serves on the Compensation and Audit Committees of the Novelis Board of Directors, and acts as the Chairman of the Compensation Committee. Mr. Chandran is senior advisor of 4Front Capital Partners Inc. He is a past director of Alcan Inc. and MDS Inc. He retired as Chief Operating Officer of Nortel Networks Corporation (communications) in 2001. Mr. Chandran is a past member of the Board of Visitors of the Pratt School of Engineering at Duke University. He has acquired years of significant experience through his leadership and management of companies with international business operations. Mr. Chandran brings to the Board his deep knowledge in the areas of technology, sales and global operations.

Gary Comerford has been a director since 2020 and serves as a member of the Audit Committee. Mr. Comerford serves as President and CEO of CMC Global, a consulting company specializing in international expansion. He also served as past Vice Chair of the Canada India Business Council and past Chair of the Board of Trustees of Brock University. From 2009 to 2014, Mr. Comerford was employed with the Reinsurance Group of America as Executive Vice President and Chief Marketing Officer. Prior to that, he was with Sun Life of Canada, where he held positions of increasing responsibility before retiring as Senior Vice President, International in 2009. Before joining Sun Life, Mr. Comerford held various roles at Canada Permanent Trust Company, including Vice President of Marketing. Mr. Comerford brings extensive financial management and operating experience to the Board.

Dr. Thomas M. Connelly, Jr. has been a director since 2020. Dr. Connelly has served as the Chief Executive Officer of the American Chemical Society since 2015. Previously, Dr. Connelly was employed by DuPont de Nemours, Inc., from 1977 to 2014, where he was responsible for the Applied BioSciences, Nutrition & Health, Performance Polymers, and Packaging & Industrial Polymers businesses. In addition, Dr. Connelly also had responsibility for Science & Technology, Integrated Operations, and geographic regions outside the United States. Dr. Connelly retired in 2014 as Executive Vice President and Chief Innovation Officer of DuPont, where he was a member of the company's Office of the Chief Executive. Dr. Connelly serves on the Board of Grasim Industries Limited and brings to the Board his deep knowledge in the areas of science and global operations.

Mr. Satish Pai has been a director since 2013 and has served as the Managing Director of Hindalco Industries Limited since August 2016. Mr. Pai previously served as Deputy Managing Director of Hindalco Industries Limited from February 2014 to May 2016, and as Chief Executive Officer - Aluminum Business of Hindalco Industries Limited from August 2013 to January 2014. Prior to that, Mr. Pai served as Executive Vice President, Worldwide Operations of Schlumberger Ltd. Mr. Pai joined Schlumberger Ltd. in 1985 as a field engineer and held various positions of increased responsibility over the course of his 28 year tenure with the company. He serves on the Compensation Committee of the Novelis Board of Directors and is a director of Hindalco Industries and also serves as a Director on the Board of BP p.l.c., United Kingdom. He has also been appointed as Vice President in The Indian Institute of Metals and serves as Board Chair of the International Aluminum Institute. Mr. Pai brings extensive industry and global operating experience to the Board.

Mr. Vikas Sehgal has been a director since 2020 and is Executive Vice Chairman of Rothschild & Co. for the South & Southeast Asian region and also serves as Global Partner and Head of the Automotive sector. Prior to joining Rothschild & Co. in 2011, Mr. Sehgal was a partner at Booz & Company, where he worked from 1999 to 2010. Previously, he was employed as an engineer at the Ford Motor Company and Daewoo Motors. Mr. Sehgal has served the World Economic Forum as Chairman of the Global Agenda Council for Automotive and as a member of the Global Future Council for Mobility. He also served on the Board of Houghton International and Infotech Engineering. Mr. Sehgal currently serves as a director of Cyient Limited. Mr. Sehgal also brings a depth of understanding of our business, operations and the global automotive industry which we serve.

Donald A. Stewart has been a director since 2007 and serves as Chairman of the Audit Committee of the Novelis Board of Directors. He retired as Chief Executive Officer and Director of Sun Life Financial Inc. and Sun Life Assurance Company of Canada. Mr. Stewart continues to serve as a director of Sun Life Everbright Life Insurance Company Limited. Mr. Stewart brings extensive financial management and global operating experience to the Board.

Our Executive Officers

The following table sets forth information for persons serving as executive officers of our Company. Biographical details for each of our executive officers set forth below are as of April 30, 2023.

Name	Age	Position
Steven Fisher	52	President and Chief Executive Officer
Devinder Ahuja	57	Executive Vice President and Chief Financial Officer
Emilio Braghi	55	Executive Vice President and President, Novelis Europe
Christopher Courts	45	Senior Vice President and General Counsel, Corporate Secretary and Compliance Officer
Philippe Meyer	65	Senior Vice President and Chief Technology Officer
Randal Miller	60	Vice President, Treasurer
Roxana Molina	62	Executive Vice President and Chief Procurement Officer
Antonio Tadeu Coelho Nardocci	65	Executive Vice President, Chief Manufacturing Officer and Interim President, Novelis North America
Francisco Pires	54	Senior Vice President and President, Novelis South America
Stephanie Rauls	54	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Sachin Satpute	57	Executive Vice President and President, Novelis Asia
H.R. Shashikant	60	Executive Vice President and Chief Human Resources Officer

Steven Fisher has served as our President and Chief Executive Officer since 2015. Mr. Fisher joined the Company in 2006 as Vice President, Strategic Planning and Corporate Development and served as our Chief Financial Officer from 2007 to 2015. Prior to joining Novelis, Mr. Fisher served as Vice President and Controller for TXU Energy, the non-regulated subsidiary of TXU Corp., at its headquarters in Dallas, Texas. Mr. Fisher is a member of the Business Roundtable, an association of leading U.S. companies working to promote sound public policy. In addition, he is a member of the Board of Directors for the Metro Atlanta Chamber of Commerce. Mr. Fisher received a bachelor's degree in finance and accounting from the University of Iowa.

Devinder Ahuja is our Executive Vice President and Chief Financial Officer, and has served in this role since August 2016. Before joining Novelis, Mr. Ahuja spent 15 years at Novartis Group, where he served most recently as Chief Financial Officer of the Alcon Division's North America business. Prior to that, Mr. Ahuja held positions of increasing responsibility at Novartis covering the areas of finance, strategic planning, supply chain and purchasing. During his career, Mr. Ahuja has held various finance leadership roles including posts in Switzerland, South Korea, Japan and India. Mr. Ahuja holds a Bachelor of Commerce degree from the RA Podar College of Commerce and Economics in Mumbai, India and is a Chartered Accountant.

Emilio Braghi has served as our Executive Vice President and President, Novelis Europe since September 2016. Previously, he served as Vice President, Operations, Novelis North America, since February 2015. Mr. Braghi joined Novelis in 1999 as Sales Manager, Europe. During his tenure, he has taken on many leadership roles of increasing responsibility and moved into his first general management role in 2006, when he was named head of Novelis' business in Italy. Mr. Braghi went on to hold multiple general management leadership positions with Novelis' Litho and Painted Products value streams in Europe, directing both commercial and operational activities and he joined the Asia leadership team in March 2012 as Vice President of Operations. In addition, Mr. Braghi serves as Chairman of the European Aluminum industry association. Mr. Braghi holds a degree in engineering and industrial production technologies from Politecnico di Milano in Milan, Italy.

Christopher Courts has served as our Senior Vice President, General Counsel, Compliance Officer and Corporate Secretary since January 2021, and he is a member of the Company's Executive Committee. He previously served as interim Vice President, General Counsel, Secretary and Compliance Officer from March 2020 to December 2021. Prior to that, Mr. Courts served as the Company's Vice President, Deputy General Counsel from January 2016 to March 2020 and, in this role, he led the Company's intellectual property function, corporate governance activities, and global contracts management program. In addition, he supported the Company's strategy team on mergers, acquisitions and divestitures. Mr. Courts joined Novelis in January 2005 and over the years has had oversight for various aspects of the legal function. Prior to joining Novelis, Mr. Courts served as Senior Corporate Counsel for Aquila, Inc., and he began his career as a corporate associate at the Husch Blackwell law firm. Mr. Courts holds a B.B.A in finance and a J.D., both from the University of Iowa.

Philippe Meyer joined Novelis as Senior Vice President and Chief Technology Officer upon our acquisition of Aleris in April 2020. Prior to the acquisition, Mr. Meyer had served as Aleris' Senior Vice President and Chief Technology Officer since 2015 and prior to that as Vice President and Chief Technology Officer from 2012 to 2015. Before joining Aleris, Mr. Meyer spent 22 years at Montupet, an aluminum automotive foundry company, in various roles of increasing responsibility, including R&D and Technical Director. Mr. Meyer holds a master's degree from Ecole Nationale Supérieure des Mines de Paris, France.

Randal P. Miller is our Vice President, Treasurer. Prior to joining Novelis in July 2008, Mr. Miller served as Vice President and Treasurer of Transocean Offshore Deepwater Drilling from May 2006 to November 2007 where he was responsible for all treasury, banking, and capital markets activities for Transocean and its subsidiaries. From 2001 to 2006, Mr. Miller served as Vice President Finance, Treasurer of Aquila, Inc. Mr. Miller earned his Bachelor of Science from Iowa State University and Master of Business Administration from the University of Missouri - Kansas City.

Roxana Molina joined Novelis in March 2020 as Executive Vice President and Chief Procurement Officer. Prior to joining Novelis, Ms. Molina was employed by Ford Motor Company in Dearborn, Michigan, since 1995. At Ford, Ms. Molina held various leadership roles in the United States, Europe and Brazil, most recently serving as Global Purchasing Director, Engine and Powertrain Installations. She holds a bachelor's degree in industrial engineering from Universidad de Lima, a Master of Business Administration from the University of Texas at Austin, and an Associate of Science, Research on truck body design from Tokyo University of Agriculture and Technology.

Antonio Tadeu Coelho Nardocci has served as our Executive Vice President, Chief Manufacturing Officer and Interim President, Novelis North America since January 2023. Prior to that, Mr. Nardocci served as Executive Vice President and Chief Manufacturing Officer since June 2019, and served as our Senior Vice President and President, Novelis South America since May 2013. Mr. Nardocci has also served as our Senior Vice President and President, Novelis Europe and as our Vice President of Strategy, Innovation and Technology. Before our spin-off from Alcan, Mr. Nardocci held a number of leadership positions with Alcan, including as President of Rolled Products South America from March 2002 until January 2005. Mr. Nardocci graduated from the University of São Paulo in Brazil with a degree in metallurgy.

Francisco Pires has served as our Senior Vice President and President, Novelis South America since June 2019. Mr. Pires joined Novelis South America in 2012 as Director of Procurement. In 2013, he assumed the position of Director, Procurement and Supply Chain. In 2014, he was appointed Vice President, Commercial, followed by his appointment as Chief Operating Officer in 2018. Prior to joining Novelis, Mr. Pires held positions of increasing responsibility with Fibria, Votorantim Cellulose & Paper, Maxlog and Bureau Veritas. He is a graduate in naval engineering from Universidade Federal do Rio de Janeiro and has a Master of Science in Business Administration from COPPEAD.

Stephanie Rauls has served as our Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer since February 2016. Ms. Rauls previously served as our Vice President of Global Tax since December 2013. Prior to joining Novelis, Ms. Rauls was Vice President, Tax at Wal-Mart Stores, Inc. from 2011 to 2013, and prior to that, she was employed by GE Healthcare as a tax director from 2002 to 2011. Before joining GE Healthcare, Ms. Rauls was employed by KPMG LLP from 1994 to 2002. She earned a Bachelor of Business Administration in accounting from the University of Wisconsin-Madison and a Juris Doctor from Valparaiso University School of Law. Ms. Rauls is a Certified Public Accountant.

Sachin Satpute is Executive Vice President and President, Novelis Asia and has served in this role since June 2016. He previously served as Chief Marketing Officer for Hindalco Industries since 2012, and was Managing Director of Aluminum Company of Malaysia (ALCOM) from April 2011 until June 2012. Prior to his most recent role with Hindalco, Mr. Satpute spent five years with Novelis in various roles of increasing responsibility. Mr. Satpute began his career at a Hindalco aluminum plant in 1987 as a development engineer. In addition to a degree in mechanical engineering from Pune University, Mr. Satpute also holds an MBA in marketing from Mumbai University, India.

H.R. Shashikant has served as our Executive Vice President and Chief Human Resources Officer since August 2015. In this role, Mr. Shashikant is responsible for the formulation and implementation of the Company's worldwide human resources objectives, policies and practices. As the head of the global Human Resources function, he has responsibility for Talent Acquisition and Development, Compensation, Benefits, HRIS and Global Security. Before joining Novelis, Mr. Shashikant was Group Executive President, Group Human Resources, for the Aditya Birla Group, the Mumbai-based conglomerate of which Novelis is a part. He joined the Aditya Birla Group as a Vice President in 1999 and was instrumental in setting up HR systems, processes, and Centers of Excellence across the Group. An economics graduate from Karnataka University in Dharwad, India, Mr. Shashikant holds a post graduate degree in personnel management from the Tata Institute of Social Sciences, Mumbai.

Board of Directors and Corporate Governance Matters

We are committed to our corporate governance practices, which we believe are essential to our success and to the enhancement of shareholder value. We are subject to a variety of corporate governance and disclosure requirements. Our corporate governance practices meet applicable regulatory requirements to ensure transparency and effective governance of the Company.

Our Board of Directors reviews corporate governance practices in light of developing requirements in this field. As new provisions come into effect, our Board of Directors will reassess our corporate governance practices and implement changes as and when appropriate. The following is an overview of our corporate governance practices.

Novelis Board of Directors

Our Board of Directors currently has seven members, all of whom are appointed by our sole shareholder. Our Board of Directors has the responsibility for stewardship of Novelis Inc., including the responsibility to ensure that we are managed in the interest of our sole shareholder, while taking into account the interests of other stakeholders. Our Board of Directors supervises the management of our business and affairs and discharges its duties and obligations in accordance with the provisions of: (1) our articles of incorporation and bylaws, (2) the charters of its committees, and (3) other applicable laws and company policies.

Our corporate governance practices require that, in addition to certain statutory duties, the following matters be subject to our Board of Directors' approval: (1) capital expenditure budgets and significant investments and divestments, (2) our strategic plans, (3) the number of directors within the limits provided by our by-laws, and (4) any matter which may have the potential for substantial impact on Novelis. Our Board of Directors reviews its composition and size once a year. Senior management makes regular presentations to our Board of Directors on the main areas of our business.

Corporate Governance

Interested parties may communicate with the Board of Directors, a committee, or an individual director by writing to Novelis Inc., One Phipps Plaza, 3550 Peachtree Road, Suite 1100, Atlanta, GA 30326, Attention: Corporate Secretary - Board Communication. All such communications will be compiled by the Corporate Secretary and submitted to the appropriate director or board committee. The Corporate Secretary will reply or take other actions in accordance with instructions from the applicable board contact.

Committees of Our Board of Directors

Our Board of Directors has established two standing committees: the Audit Committee and the Compensation Committee. Each committee is governed by its own charter. According to their authority as set out in their charters, the committees may engage outside advisors at the expense of Novelis.

Audit Committee and Financial Experts

Messrs. Stewart, Chandran, and Comerford are the members of the Audit Committee. Mr. Stewart, an independent director, has been identified as an "audit committee financial expert" as that term is defined in the rules and regulations of the SEC.

Our Audit Committee's main objective is to assist our Board of Directors in fulfilling its oversight responsibilities for the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent registered public accounting firm and the performance of both our internal audit function and our independent registered public accounting firm. Under the Audit Committee charter, the Audit Committee is responsible for, among other matters:

- evaluating and compensating our independent registered public accounting firm;
- making recommendations to the Board of Directors and shareholder relating to the appointment, retention and termination of our independent registered public accounting firm;
- discussing with our independent registered public accounting firm its qualifications and independence from management;
- reviewing with our independent registered public accounting firm the scope and results of its audit;
- pre-approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- reviewing areas of potential significant financial risk and the steps taken to monitor and manage such exposures;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; and
- reviewing and monitoring our accounting principles, accounting policies and disclosure, internal control over financial reporting and disclosure controls and procedures.

Compensation Committee

Our Compensation Committee establishes our general compensation philosophy and oversees the development and implementation of compensation policies and programs. It also reviews and approves the level of and/or changes in the compensation of individual executive officers taking into consideration individual performance and competitive compensation practices. The committee's specific roles and responsibilities are set out in its charter. Our Compensation Committee periodically reviews the effectiveness of our overall management organization structure and succession planning for senior management, reviews recommendations for the appointment of executive officers, and reviews annually the development process for high potential employees.

Code of Conduct and Guidelines for Ethical Behavior

Novelis has adopted a Code of Conduct and maintains a Code of Ethics for Senior Financial Officers that applies to our senior financial officers including our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions. Copies of the Code of Conduct and the Code of Ethics for Senior Financial Officers are available on our website at www.novelis.com. We will promptly disclose any future amendments to these codes on our website as well as any waivers from these codes for executive officers and directors. Copies of these codes are also available in print from our Corporate Secretary upon request.

Item 11. Executive Compensation.

The information required by this item will be included in an amendment to this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

On May 15, 2007, the Company was acquired by Hindalco through its indirect wholly owned subsidiary AV Metals Inc. pursuant to a plan of arrangement entered into on February 10, 2007. Since the acquisition was completed, all of our common shares have been indirectly held by Hindalco. Following the plan of arrangement effective September 1, 2022, all of our common shares are held directly by AV Minerals (Netherlands) N.V., a wholly owned subsidiary of Hindalco.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

We maintain various policies and procedures that govern related party transactions. Pursuant to our Code of Conduct and our Code of Ethics for Senior Financial Officers, senior managers and directors of the Company must avoid any action that creates or appears to create a conflict of interest between their own interest and the interest of the Company, cannot usurp corporate opportunities, and must deal fairly with third parties. This policy is available on our website at www.novelis.com. In addition, we have enacted procedures to monitor related party transactions by identifying possible related parties through questions in our director and officer questionnaires, determining whether we receive payments from or make payments to any of the identified related parties, and if we determine payments are made or received, researching the nature of the interactions between the Company and the related parties and ensuring that the related person does not have an interest in the transaction with the Company. The Audit Committee is responsible for reviewing material related party transactions that involve the Company, one of our directors or executive officers, or any of their immediate family members.

See [Note 10 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions](#) for more details related to various transactions with Hindalco and our affiliates. These transactions are not material to Novelis individually or in the aggregate. Because of the relationship three of our directors have with Hindalco, we consider these transactions to be related party transactions.

Item 14. Principal Accountant Fees and Services.

The following table shows fees and expenses billed to the Company by PricewaterhouseCoopers LLP for services rendered for fiscal 2023 and fiscal 2022.

<i>in millions</i>	Fiscal 2023	Fiscal 2022
Audit fees ⁽¹⁾	\$ 8.9	\$ 8.2
All Other Fees ⁽²⁾	0.3	0.1
Total	\$ 9.2	\$ 8.3

(1) Represent fees for professional services rendered and expenses incurred for the audit of the Company's annual financial statements, review of financial statements included in the Company's Form 10-Qs, and services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements for those fiscal periods.

(2) In fiscal year ended March 31, 2023 this fee included attest services performed over the Company's sustainability efforts and related reporting, as well as for services not included in the Audit, Audit Related, or Tax categories. In the fiscal year ended March 31, 2022 these fee included attest services performed over the Company's application for energy credits, as well as for services not included in the Audit, Audit Related, or Tax categories.

Pre-Approval of Audit and Permissible Non-Audit Services

The charter of the Audit Committee provides that the Committee is responsible for the pre-approval of all audit and permissible non-audit services to be performed by the independent auditors. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditors. The policy gives detailed guidance to management as to the specific services that are eligible for general pre-approval and provides specific cost limits for certain services on an annual basis. Pursuant to the policy and the Audit Committee charter, the Audit Committee has granted to its chairman the authority to address any requests for pre-approval of individual services.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Financial Statements

The following financial statements are set forth in Item 8 hereof:

- [Report of Independent Registered Public Accounting Firm](#) (PCAOB ID 238)
- [Consolidated Statements of Operations](#) for fiscal 2023, fiscal 2022, and fiscal 2021
- [Consolidated Statements of Comprehensive Income \(Loss\)](#) for fiscal 2023, fiscal 2022, and fiscal 2021
- [Consolidated Balance Sheets](#) as of March 31, 2023 and March 31, 2022
- [Consolidated Statements of Cash Flows](#) for fiscal 2023, fiscal 2022, and fiscal 2021
- [Consolidated Statements of Shareholder's \(Deficit\) Equity](#) for fiscal 2023, fiscal 2022, and fiscal 2021
- [Notes to the Consolidated Financial Statements](#)

2. Financial Statement Schedules

None.

All schedules are omitted as the required information is inapplicable or the information is presented in our consolidated financial statements or related notes.

3. Exhibits

Exhibit No.	Description
2.1	Arrangement Agreement by and among Hindalco Industries Limited, AV Aluminum Inc. and Novelis Inc., dated as of February 10, 2007 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on February 13, 2007 (File No. 001-32312))
2.2	Agreement and Plan of Merger, dated as of July 26, 2018, among Novelis Inc., Novelis Acquisitions LLC, Aleris Corporation and OCM Opportunities ALS Holdings L.P. (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on July 26, 2018 (File No. 001-32312))
3.1	Restated Certificate and Articles of Incorporation of Novelis Inc. (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on January 7, 2005 (File No. 001-32312))
3.2	Certificate and Articles of Amalgamation of Novelis Inc., dated March 31, 2016 (incorporated by reference to Exhibit 3.2 to our Annual Report on Form 10-K filed May 10, 2016 (File No. 001-32312))
3.3	Novelis Inc. Amended and Restated Bylaws, adopted as of July 24, 2008 (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed on July 25, 2008 (File No. 001-32312))
4.1	Specimen Certificate of Novelis Inc. Common Shares (incorporated by reference to Exhibit 4.2 to our Registration Statement on Form 10-12B filed on December 27, 2004 (File No. 001-32312))
4.2	Indenture relating to the 4.750% Senior Notes due 2030, dated January 16, 2020, between Novelis Corporation, as issuer, Novelis Inc., as guarantor, the subsidiary guarantors named on the signature page thereto and Regions Bank as trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on January 16, 2020 (File No. 001-32312))
4.3	Indenture relating to the 3.375% Senior Notes due 2029, dated March 31, 2021, between Novelis Sheet Ingot GmbH, as issuer, Novelis Inc., as guarantor, the subsidiary guarantors named on the signature pages thereto and Deutsche Trustee Company Limited, as trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on March 31, 2021 (File No. 001-32312))
4.4	Indenture relating to the 3.250% Senior Notes due 2026, dated August 11, 2021, between Novelis Corporation, as issuer, Novelis Inc., as guarantor, the subsidiary guarantors named on the signature pages thereto and Regions Bank, as trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on August 11, 2021 (File No. 001-32312))
4.5	Indenture relating to the 3.875% Senior Notes due 2031, dated August 11, 2021, between Novelis Corporation, as issuer, Novelis Inc., as guarantor, the subsidiary guarantors named on the signature pages thereto and Regions Bank as trustee (incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed on August 11, 2021 (File No. 001-32312))
10.1*	Novelis Inc. Change in Control Severance Plan (incorporated by reference to Exhibit 10.5 to our Annual Report on Form 10-K filed on May 8, 2019 (File No. 001-32312))
10.2*	Form of Indemnity Agreement between Novelis Inc. and Members of the Board of Directors of Novelis Inc. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on May 21, 2007 (File No. 001-32312))

10.3*	Form of Severance Agreement (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed on July 1, 2009 (File No. 001-32312))
10.4*	Novelis Supplementary Pension Plan dated January 1, 2012 ((incorporated by reference to Exhibit 10.31 to our Annual Report on Form 10-K filed on May 24, 2012 (File No. 001-32312))
10.5*	Employment Agreement between Novelis Inc. and Steven Fisher dated August 10, 2015 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on November 9, 2015 (File No. 001-32312))
10.6*	Employment Agreement between Novelis Inc. and Antonio Tadeu Coelho Nardocci dated September 4, 2009 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K/A filed on September 9, 2009 (File No. 001-32312))
10.7*	Employment Agreement between Novelis Inc. and Devinder Ahuja, dated as of June 6, 2016 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on August 5, 2016 (File No. 001-32312))
10.8*	Employment Agreement between Novelis Inc. and Sachin Satpute dated as of April 28, 2016 (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on August 5, 2016 (File No. 001-32312))
10.9*	Employment Agreement between Novelis Inc. and Emilio Braghi, dated as of July 22, 2016 (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on August 5, 2016 (File No. 001-32312))
10.10	Amendment No. 10 to Second Amended and Restated Credit Agreement, dated as of August 18, 2022, among, <i>inter alios</i>, Novelis Inc., Novelis Corporation, Novelis UK Ltd, Novelis AG, Novelis Deutschland GmbH, certain of their affiliates as borrowers and guarantors, AV Minerals (Netherlands) N.V., Novelis Italia S.P.A., as Third Party Security Provider, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, Issuing Bank and U.S. Swingline Lender (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on November 8, 2022 (File No. 001-32312))
10.11	Amendment No. 11 to Second Amended and Restated Credit Agreement, dated as of March 31, 2023, among, <i>inter alios</i>, Novelis Inc., Novelis Corporation, Novelis UK Ltd, Novelis AG, Novelis Deutschland GmbH, certain of their affiliates as borrowers and guarantors, AV Minerals (Netherlands) N.V., Novelis Italia S.P.A., as Third Party Security Provider, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, Issuing Bank and U.S. Swingline Lender
10.12	Amendment No. 7 to Credit Agreement, dated as of March 31, 2023, among, <i>inter alios</i>, Novelis Inc., as borrower, Novelis ALR Aluminum Holdings Corporation, as co-borrower of the Aleris Incremental Term Loans and as guarantor, AV Minerals (Netherlands) N.V., the other loan parties party thereto, Novelis Italia S.P.A., as Third Party Security Provider, the Lenders party thereto and Standard Chartered Bank, as Administrative Agent, and as Collateral Agent
21.1	List of Subsidiaries of Novelis Inc.
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
*	Indicates a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NOVELIS INC.

By: /s/ Steven Fisher

Name: Steven Fisher

Title: President and Chief Executive Officer

Date: May 10, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>/s/ Steven Fisher</u> Steven Fisher	(Principal Executive Officer)	Date: May 10, 2023
<u>/s/ Devinder Ahuja</u> Devinder Ahuja	(Principal Financial Officer)	Date: May 10, 2023
<u>/s/ Stephanie Rauls</u> Stephanie Rauls	(Principal Accounting Officer)	Date: May 10, 2023
<u>/s/ Kumar Mangalam Birla</u> Kumar Mangalam Birla	(Chairman of the Board of Directors)	Date: May 10, 2023
<u>/s/ Clarence J. Chandran</u> Clarence J. Chandran	(Director)	Date: May 10, 2023
<u>/s/ Gary Comerford</u> Gary Comerford	(Director)	Date: May 10, 2023
<u>/s/ Dr. Thomas M. Connelly, Jr.</u> Dr. Thomas M. Connelly, Jr.	(Director)	Date: May 10, 2023
<u>/s/ Satish Pai</u> Satish Pai	(Director)	Date: May 10, 2023
<u>/s/ Vikas Sehgal</u> Vikas Sehgal	(Director)	Date: May 10, 2023
<u>/s/ Donald A. Stewart</u> Donald A. Stewart	(Director)	Date: May 10, 2023

**AMENDMENT NO. 11 TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
dated as of March 31, 2023
among
NOVELIS INC.,
as Canadian Borrower,
NOVELIS CORPORATION
as a U.S. Borrower,
THE OTHER SUBSIDIARIES OF CANADIAN BORROWER
PARTY HERETO AS BORROWERS,
AV MINERALS (NETHERLANDS) N.V., AS HOLDINGS,
THE OTHER GUARANTORS PARTY HERETO,
THE THIRD PARTY SECURITY PROVIDER,
THE LENDERS PARTY HERETO,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Collateral Agent, and U.S. Swingline Lender,
WELLS FARGO BANK, N.A. (LONDON BRANCH),
as European Swingline Lender, and
THE ISSUING BANKS PARTY HERETO.**

This **AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT** (this “**Amendment**”), dated as of March 31, 2023, is entered into among NOVELIS INC., a corporation amalgamated under the Canada Business Corporations Act and having its corporate office at One Phipps Plaza, 3550 Peachtree Road, Suite 1100, Atlanta, GA 30326, USA (the “**Canadian Borrower**”), NOVELIS CORPORATION, as a U.S. borrower, the other U.S. borrowers party hereto (collectively, the “**U.S. Borrowers**”), NOVELIS UK LTD, as a U.K. borrower (“**Novelis UK**”), NOVELIS AG, as a Swiss borrower (“**Novelis AG**”), NOVELIS DEUTSCHLAND GMBH, as a German borrower (“**Novelis Deutschland**”), AV MINERALS (NETHERLANDS) N.V., a corporation organized under the laws of the Netherlands (“**Holdings**”), the other LOAN PARTIES (as defined in the Amended Credit Agreement referred to below) party hereto, NOVELIS ITALIA S.P.A. (the “**Third Party Security Provider**”), the LENDERS party hereto, the ISSUING BANKS party hereto, WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (in such capacity, and together with its successors in such capacity, “**Administrative Agent**”), as collateral agent (in such capacity, and together with its successors in such capacity, “**Collateral Agent**”), and as U.S. swingline lender (in such capacity, and together with its successors in such capacity, “**U.S. Swingline Lender**”), and WELLS FARGO BANK, N.A. (LONDON BRANCH), as European swingline lender (in such capacity, and together with its successors in such capacity, “**European Swingline Lender**”).

RECITALS

WHEREAS, the Borrowers party thereto, the other Loan Parties party thereto, the Administrative Agent, the Collateral Agent, the lenders party thereto immediately prior to the Amendment Effective Date (as defined below) (the “**Existing Lenders**”), the issuing banks party thereto, and the other parties from time to time party thereto, entered into that certain Second Amended and Restated Credit Agreement, dated as of October 6, 2014 (as amended, supplemented, restated or otherwise modified prior to the date hereof, the “**Credit Agreement**”, and the Credit Agreement, and as amended by this Amendment, the “**Amended Credit Agreement**”);

WHEREAS, the Canadian Borrower has requested amendments to the Credit Agreement as herein set forth;

WHEREAS, the Borrowers, the other Loan Parties, the Third Party Security Provider, the Administrative Agent, the Collateral Agent, the U.S. Swingline Lender, the European Swingline Lender, and the Lenders party hereto (which Lenders constitute the Required Lenders under the Credit Agreement), have agreed to amend the Credit Agreement on the terms and subject to the conditions herein provided;

WHEREAS, the U.S. Borrowers and the other Guarantors party to the U.S. Security Agreement (collectively, the “**Reaffirming Parties**”, and each, a “**Reaffirming Party**”) have entered into or joined the U.S. Security Agreement in order to induce the Lenders to make Loans, and each Reaffirming Party desires to reaffirm the security interest granted pursuant to the U.S. Security Agreement;

WHEREAS, the Reaffirming Parties expect to realize, or have realized, substantial direct and indirect benefits as a result of this Amendment becoming effective and the consummation of the transactions contemplated hereby;

WHEREAS, certain of the Loan Parties are party to Joint Development Agreements pursuant to which each such Loan Party has obtained a joint ownership interest in certain patents developed under such Joint Development Agreement (the “**Jointly Owned Intellectual Property**”). The Canadian Borrower has informed the Administrative Agent and the

Lenders that (i) prior to the Amendment Effective Date, certain Loan Parties have previously incorrectly represented under the Loan Documents that they, individually, were the sole owners of the Jointly Owned Intellectual Property and that such Jointly Owned Intellectual Property was not subject to any agreement which would restrict the transferability of such Jointly Owned Intellectual Property or otherwise impair or conflict with such Loan Party's obligations or the rights of the Collateral Agent under the applicable Loan Documents (the "**IP Disclosure Error**") and (ii) as of the Amendment Effective Date, certain of the Joint Development Agreements contain customary covenants or restrictions restricting the pledge of any Jointly Owned Intellectual Property which may violate the terms of Section 6.19 of the Credit Agreement (the "**JDA Pledge Restrictions**");

WHEREAS, the Irish Guarantor is a holding company with no operations and, prior to September 1, 2022, maintained its sole address and location of books and records at the address maintained by its legal counsel in Ireland (the "**Existing Irish Address**"). The Canadian Borrower has informed the Administrative Agent and the Lenders that, as a result of ongoing renovations at the Existing Irish Address, effective September 1, 2022, the Irish Guarantor temporarily changed the location of its sole address and location of books and records to a temporary address maintained by its legal counsel in Ireland (the "**Irish Address Change**"). The Canadian Borrower anticipates that the Irish Guarantor will change its address and location of books and records back to the Existing Irish Address upon completion of the renovations. As of the date hereof, the renovations to the Existing Irish Address are expected to be completed during the course of 2024; and

WHEREAS, the Canadian Borrower has requested that the Administrative Agent, the Collateral Agent, the U.S. Swingline Lender, the European Swingline Lender, and the Lenders party hereto (which Lenders constitute the Required Lenders under the Credit Agreement) agree to waive any breach or violation under the Credit Agreement resulting from the IP Disclosure Error, the JDA Pledge Restrictions, and/or the Irish Address Change.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and obligations herein set forth and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties and covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Amended Credit Agreement.

Section 2. Amendments; Waiver.

2.01 Subject to the terms and conditions set forth herein, effective as of the Amendment Effective Date immediately after giving effect to Section 2, the Credit Agreement is hereby amended as follows:

(i) The definition of "**Excluded Property**" in Section 1.01 of the Credit Agreement is hereby amended by amending and restating clause (k) thereof in its entirety as follows:

"(k) if the aggregate fair market value of Equipment located at the plant operated by Novelis do Brasil Ltda., at Av. Buriti, 1.087, CEP 12441-270, Feital – Pindamonhangaba-SP, Brazil and acquired in connection with the expansion of such plant commencing in August 2022 (the "**Specified Brazilian Expansion**") that is not pledged in favor of the Collateral Agent to secure the Secured Obligations is less than \$100,000,000, then such Equipment shall not be required

to be so pledged until the earlier of (i) the date that is two years after the commencement of the Specified Brazilian Expansion, and (ii) the date that the Companies complete or otherwise discontinue work on the expansion of such plant.”.

(ii) The definition of “**Logan Joint Venture Licenses**” in Section 1.01 of the Credit Agreement is hereby amended by replacing the phrase “intellectual property” with the phrase “Intellectual Property.”

(iii) The following definitions are hereby added to Section 1.01 of the Credit Agreement in appropriate alphabetical order:

“**Amendment No. 11**” means that certain Amendment No. 11 to Second Amended and Restated Credit Agreement, dated as of March 31, 2023, among Holdings, the Borrowers, the other Loan Parties party thereto, the other parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Amendment No. 11 Effective Date**” means the “Amendment Effective Date” as defined in Amendment No. 11.

“**Specified Restricted Joint Owned Patents**” shall mean those patents set forth on Schedule 11.29(c) to Amendment No. 11.

(iv) Section 6.05(f) of the Credit Agreement is hereby amended and restated as follows:

“(f) any Restricted Subsidiary of the Designated Company (other than the Canadian Borrower, Novelis ALR Holdings, Novelis Corporation and each Receivables Seller) may dissolve, liquidate or wind up its affairs at any time (so long as, (i) in the case of a Borrower (other than as provided in (iii) below), all of its assets are distributed or otherwise transferred to a surviving Borrower organized in the same jurisdiction, (ii) in the case of a Borrowing Base Guarantor, all of its assets are distributed or otherwise transferred to a surviving Borrower or Borrowing Base Guarantor organized in the same jurisdiction and (iii) in the case of Novelis South America Holdings LLC, all of its assets are distributed or otherwise transferred to Novelis Inc.); provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect; provided, further, that to the extent any such asset so distributed or otherwise transferred to a Borrower or a Borrowing Base Guarantor constitutes (or would constitute, following the pledge thereof) Revolving Credit Priority Collateral that, after giving effect to such distribution or transfer, becomes subject to the re-starting of any fraudulent conveyance, fraudulent transfer, preference or hardening period, then the Administrative Agent shall be permitted, in its Permitted Discretion, to establish additional Availability Reserves and Reserves with respect to such assets until such new fraudulent conveyance, fraudulent transfer, preference or hardening period, as applicable, has expired, without regard to any notice period that would otherwise be applicable thereto pursuant to Section 2.1(d);”.

(v) Section 6.17 of the Credit Agreement is hereby amended and restated as follows:

Section 6.17 Fiscal Year. Change its fiscal year-end to a date other than March 31; provided that (1) any Restricted Subsidiary may have a different fiscal year-end to the extent required in order to comply with Applicable Law, (2) the Restricted Subsidiaries set forth on Schedule 6.17 to Amendment No. 11 may continue to end its fiscal years on December 31, and (3) upon at least 30 Business Days' prior written notice to the Administrative Agent (or such shorter period as may be determined by the Administrative Agent), each of Holdings and its Subsidiaries (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) shall be permitted to change its fiscal year-end to December 31 at any time on or after the date that Hindalco changes its fiscal year-end to December 31, in which case the Loan Parties and the Administrative Agent will, and are hereby authorized by the other Agents, the Lenders and the Issuing Banks to, make any adjustments to this Agreement and the other Loan Documents that are reasonably requested by the Administrative Agent or are necessary to reflect such change in fiscal year-end.

(vi) Section 6.19 of the Credit Agreement is hereby amended to add the following clauses (h) and (i) thereto immediately after clause (g) thereto:

“(h) consists of customary covenants in agreements entered into in the ordinary course of business restricting the pledge of such agreement, solely to the extent such negative pledge provision is not enforceable under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or similar applicable requirements of Applicable Law; or (i) consists of customary covenants or restrictions in any Joint Development Agreement restricting the pledge of any Intellectual Property developed under such Joint Development Agreement; provided that (x) each Loan Party shall use commercially reasonable efforts to negotiate any Joint Development Agreement entered into by it after the Amendment No. 11 Effective Date in a manner that avoids any such covenants or restrictions, (y) the Intellectual Property subject to any such covenants or restrictions shall not at any time, taken as a whole, constitute a material portion of the Intellectual Property owned or licensed by the Companies, taken as a whole, and (z) such Joint Development Agreement shall not prohibit or restrict the ability of any Agent to use the applicable Company's rights in the Intellectual Property subject to such Joint Development Agreement during the continuance of an Event of Default, for purposes of enabling any Agent to exercise rights and remedies under the Loan Documents, including in accordance with Section 6.1 of the Amended and Restated Security Agreement, dated as of May 13, 2013, among the Loan Parties from time to time party thereto and the Collateral Agent (as if such Section applies to the Intellectual Property subject to such Joint Development Agreement *mutatis mutandis*).”.

(vii) Section 10.02(a) of the Credit Agreement is hereby amended to (1) delete the word “or” immediately prior to clause (g) thereof and (2) add the following immediately after clause (g) thereof:

“or (h) to the extent such Lien attaches to any Specified Restricted Joint Owned Patents (and such Liens shall automatically be released on the Amendment No. 11 Effective Date)”.

(viii) Section 11.01(a)(1) of the Credit Agreement is hereby amended to replace all references therein to “Two Alliance Center, 560 Lenox Road, Suite 2000” with “One Phipps Plaza, 3550 Peachtree Road, Suite 1100”.

(ix) Schedules 6.17 and 11.29(c) are hereby added to Credit Agreement in the form of the correspondingly numbered Schedules hereto.

2.02 As of the Amendment Effective Date, immediately prior to giving effect to Section 2.01 above, the Administrative Agent, the Collateral Agent, the U.S. Swingline Lender, the European Swingline Lender, and the Lenders party hereto (which Lenders constitute the Required Lenders under the Credit Agreement) hereby waive the occurrence of any Default or Event of Default resulting from the IP Disclosure Error and/or the JDA Pledge Restrictions, including without limitation any Default or Event of Default arising as a result of (i) any representation made under any Loan Document regarding the ownership of the Jointly Owned Intellectual Property proving to have been false or misleading in any material respect when so made, (ii) any representation made under any Loan Document regarding the existence of agreements which would restrict the transferability of such Jointly Owned Intellectual Property or otherwise impair or conflict with any Loan Party's obligations or the rights of the Collateral Agent proving to have been false or misleading in any material respect when so made, (iii) any breach of Section 6.19 of the Credit Agreement due to the JDA Pledge Restrictions, (iv) any breach of Section 5.13 of the Credit Agreement due to the Irish Address Change, and (v) any failure to deliver notice of any of the foregoing (collectively, the “**Waiver**”).

Section 3. Conditions Precedent to Effectiveness of this Amendment. This Amendment shall become effective as of the first date (the “**Amendment Effective Date**”) on which each of the following conditions precedent shall have been satisfied, or duly waived by the Lenders party hereto, the Issuing Banks party hereto and the Agents party hereto:

(a) Executed Amendment. The Administrative Agent shall have received this Amendment, duly executed by each of the Loan Parties, the Third Party Security Provider, the Lenders party hereto (which constitute the Required Lenders under the Credit Agreement), the Issuing Banks, the Administrative Agent and the Collateral Agent.

(b) Representations and Warranties. Each of the representations and warranties contained in Section 6 below and in any other Loan document (after giving effect to the Waiver) shall be true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, “Material Adverse Effect” or similar language, in all respects) on and as of the date hereof.

(c) No Default or Event of Default. After giving effect to this Amendment, including the Waiver, no Default or Event of Default shall have occurred and be continuing or would result from the effectiveness of this Amendment.

Section 4. Representations and Warranties. Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and each Lender as follows:

(a) After giving effect to this Amendment, each of the representations and warranties in the Amended Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, “Material Adverse Effect” or similar language, in all respects) on and as of the date hereof as though made on and as of such date, except to the extent that any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties are true and correct in all material respects (or, in the case of any representation or warranty that

is qualified as to materiality, "Material Adverse Effect" or similar language, in all respects) as of such earlier date.

(b) The execution and delivery by the Canadian Borrower, Holdings, each other Loan Party, and the Third Party Security Provider of this Amendment, and the performance of this Amendment and the Amended Credit Agreement by the Canadian Borrower, Holdings, each other Loan Party and the Third Party Security Provider, in each case have been duly authorized by all requisite organizational action on its part and will not violate any of its Organizational Documents.

(c) This Amendment has been duly executed and delivered by the Canadian Borrower, Holdings, each other Loan Party, and the Third Party Security Provider, and each of this Amendment and the Amended Credit Agreement constitutes the Canadian Borrower's, Holdings', such Loan Party's, or such Third Party Security Provider's, as applicable, legal, valid and binding obligation, enforceable against it in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(d) After giving effect to this Amendment, including the Waiver, no Default or Event of Default has occurred and is continuing as of the date hereof.

(e) As of the Amendment Effective Date, the information included in the Beneficial Ownership Certifications delivered to the Administrative Agent and the Lenders by Holdings and the applicable Borrowers is true and correct in all respects.

(f) As of the Amendment Effective Date, none of the Specified Restricted Joint Owned Patents, either individually or collectively, are material to the business of the Companies, taken as a whole.

Section 5. Continuing Effect; Liens and Guarantees; No Novation.

(a) Each of the Loan Parties and the Third Party Security Provider hereby consents to this Amendment and the Amended Credit Agreement. Each of the Loan Parties and the Third Party Security Provider hereby acknowledges and agrees that all of its Secured Obligations, including all Liens and (in the case of the Loan Parties) Guarantees granted to the Secured Parties under the applicable Loan Documents, are ratified and reaffirmed and that such Liens and Guarantees shall continue in full force and effect on and after Amendment Effective Date to secure and support the Secured Obligations. Each of the Loan Parties hereby further ratifies and reaffirms the validity, enforceability and binding nature of the Secured Obligations.

(b) Holdings and each Subsidiary Guarantor hereby (i) acknowledges and agrees to the terms of this Amendment and the Amended Credit Agreement and (ii) confirms and agrees that, each of its Guarantee and any Foreign Guarantee is, and shall continue to be, in full force and effect, and shall apply to all Secured Obligations without defense, counterclaim or offset of any kind and each of its Guarantee and any such Foreign Guarantee is hereby ratified and confirmed in all respects. Each Borrower hereby confirms its liability for the Secured Obligations, without defense, counterclaim or offset of any kind.

(c) Holdings, the Canadian Borrower, each other Loan Party and the Third Party Security Provider hereby ratifies and reaffirms the validity and enforceability (without defense, counterclaim or offset of any kind) of the Liens and security interests granted by it to the Collateral Agent for the benefit of the Secured Parties to secure any of the Secured Obligations by Holdings, the Canadian Borrower, any other Loan Party and the Third Party Security Provider pursuant to the Loan Documents to which any of Holdings, the Canadian Borrower, any other

Loan Party or the Third Party Security Provider is a party and hereby confirms and agrees that notwithstanding the effectiveness of this Amendment, and except as expressly amended by this Amendment, each such Loan Document is, and shall continue to be, in full force and effect and each is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of this Amendment, each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" (and each reference in the Credit Agreement to this "Agreement", "hereunder" or "hereof") or words of like import shall mean and be a reference to the Amended Credit Agreement.

(d) Without limiting the generality of this Section 5 or Section 6, (i) neither this Amendment, the Amended Credit Agreement, nor any other Loan Document entered into in connection herewith or therewith, shall extinguish the "Secured Obligations" (or any term of like import) as defined or referenced in each Security Agreement, or the "Secured Obligations" under and as defined in the Credit Agreement (collectively, the "**Loan Document Secured Obligations**"), or discharge or release the priority of any Loan Document, and any security interest previously granted pursuant to each Loan Document is hereby reaffirmed and each such security interest continues in effect and secures the Loan Document Secured Obligations, (ii) nothing contained herein, in the Amended Credit Agreement or any other Loan Document entered into in connection herewith or therewith shall be construed as a substitution or novation of all or any portion of the Loan Document Secured Obligations or instruments securing any of the foregoing, which shall remain in full force and effect and shall continue as obligations under the Amended Credit Agreement, and (iii) nothing implied in this Amendment, the Amended Credit Agreement or any other Loan Document entered into in connection herewith or therewith, or in any other document contemplated hereby or thereby shall be construed as a release or other discharge of any Loan Party or the Third Party Security Provider from any of its Loan Document Secured Obligations, it being understood that such obligations shall continue as obligations under the Amended Credit Agreement.

Section 6. U.S. Reaffirmation.

(a) Each Reaffirming Party hereby confirms its guarantees, assignments, pledges and grants of security interests, as applicable, under each Guarantee and each U.S. Security Agreement to which it is a party, and agrees that such guarantees, assignments, pledges and grants of security interests shall continue to be in full force and effect and shall accrue to the benefit of the Collateral Agent for the benefit of the Secured Parties.

(b) Each Reaffirming Party hereby confirms and agrees that the "Secured Obligations" (or any term of like import) as defined or referenced in any Guarantee and any U.S. Security Agreement will include the "Secured Obligations" as defined in the Amended Credit Agreement.

Section 7. Reference to and Effect on the Loan Documents.

(a) Except as expressly set forth in this Amendment, all of the terms and provisions of the Credit Agreement and the other Loan Documents (including all exhibits and schedules to each of the Credit Agreement and the other Loan Documents) are and shall remain in full force and effect and are hereby ratified and confirmed. The Amendments provided for herein and in the annexes and exhibits hereto are limited to the specific provisions of the Credit Agreement specified herein and therein and shall not constitute an amendment of, or an indication of the Administrative Agent's or any Lender's willingness to amend or waive, any other provisions of the Credit Agreement as amended hereby or thereby, or the same sections or any provision of any other Loan Document for any other date or purpose.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent, the Collateral Agent, any Issuing Bank or any Lender under the Credit Agreement or any Loan Document, or constitute a waiver or amendment of any other provision of the Credit Agreement or any Loan Document except as and to the extent expressly set forth herein.

(c) The execution and delivery of this Amendment by any Loan Party or Third Party Security Provider shall not constitute a joinder by, or agreement to be bound by the terms of, any Loan Document to which such Loan Party or Third Party Security Provider is not a party.

(d) This Amendment shall constitute a Loan Document.

Section 8. Further Assurances; Post-Closing Requirements.

(a) The Canadian Borrower, Holdings, each other Loan Party, and the Third Party Security Provider hereby agrees to execute any and all further documents, agreements and instruments and take all further actions that the Administrative Agent deems reasonably necessary or advisable in connection with this Amendment, including to continue and maintain the effectiveness of the Liens and guarantees provided for under the Loan Documents, with the priority contemplated under the Loan Documents. The Administrative Agent and the Collateral Agent are hereby authorized by the Lenders to enter into all such further documents, agreements and instruments, and to file all financing statements deemed by the Administrative Agent to be reasonably necessary or advisable in connection with this Amendment.

Section 9. Counterparts.

(a) This Amendment and any notices delivered under this Amendment, may be executed by means of (a) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic signatures law; (b) an original manual signature; or (c) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. The Administrative Agent reserves the right, in its sole discretion, to accept, deny, or condition acceptance of any electronic signature on this Amendment or on any notice delivered to the Administrative Agent under this Amendment.

(b) This Amendment and any notices delivered under this Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Receipt by the Administrative Agent of a facsimile copy or electronic image scan transmission (e.g., PDF via electronic email) of an executed signature page and any notices as set forth herein shall constitute receipt by the Administrative Agent and shall be as effective as delivery of a manually executed counterpart of the Amendment or notice.

Section 10. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

Section 11. Headings. Section headings contained in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

Section 12. **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

Section 13. Submission to Jurisdiction; Waiver of Venue; Service of Process. Sections 11.09(b), (c) and (d) of the Credit Agreement are hereby incorporated by reference *mutatis mutandis*.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and members thereunto duly authorized, on the date first indicated above.

NOVELIS INC., as the Canadian Borrower, Administrative Borrower and a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

AV MINERALS (NETHERLANDS) N.V., as Holdings and a Dutch Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS CORPORATION, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS GLOBAL EMPLOYMENT ORGANIZATION, INC., as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Assistant Treasurer

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS SOUTH AMERICA HOLDINGS LLC, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS HOLDINGS INC.,
as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS UK LTD, as U.K. Borrower and a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

NOVELIS EUROPE HOLDINGS LIMITED,
as a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

NOVELIS SERVICES LIMITED,
as a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS AG, as Swiss Borrower, European Administrative Borrower and a Swiss Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS SWITZERLAND SA,
as a Swiss Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

4260848 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

4260856 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

8018227 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

SIGNED AND DELIVERED AS A DEED
for and on behalf of NOVELIS ALUMINUM HOLDING UNLIMITED COMPANY
by its lawfully appointed attorney,
as Irish Guarantor
in the presence of:

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

witness:

By: /s/ Keaston Hall
Name: Keaston Hall
Title: Contracts Counsel

Address: 3550 Peachtree Rd
Suite 1100
Atlanta, GA 30326

Occupation: Attorney

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS DEUTSCHLAND GMBH,
as a German Borrower and a German Guarantor

By: /s/ Nils Leonhardt
Name: Nils Leonhardt
Title: Managing Director

NOVELIS SHEET INGOT GMBH,
as a German Guarantor

By: /s/ Peter Haycock
Name: Peter Haycock
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS DO BRASIL LTDA.,
as Brazilian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney-in-Fact

witness:

By: /s/ Keaston Hall
Name: Keaston Hall
Title: Contracts Counsel

witness:

By: /s/ Chirag P. Shah
Name: Chirag P. Shah
Title: Assistant General Counsel

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS PAE S.A.S., as French Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney-in-Fact

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NOVELIS MEA LTD, a Company Limited by Shares under the Companies Law of the Dubai
International Financial Centre,
as Dubai Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS ITALIA S.P.A., as Third Party Security Provider

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS ALR ALUMINUM HOLDINGS CORPORATION, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR INTERNATIONAL, INC., as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ROLLED PRODUCTS, INC., as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ASSET MANAGEMENT CORPORATION, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS ALR ROLLED PRODUCTS, LLC, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ROLLED PRODUCTS SALES CORPORATION, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR RECYCLING OF OHIO, LLC, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ALUMINUM-ALABAMA, LLC, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ALUMINUM, LLC, as a U.S. Borrower and a Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS DEUTSCHLAND HOLDING GMBH, as a German Guarantor

By: /s/ Roland Leder
Name: Roland Leder
Title: Managing Director

NOVELIS KOBLENZ GMBH, as a German Borrower and a German Guarantor

By: /s/ Anja Lambrecht
Name: Anja Lambrecht
Title: Managing Director

NOVELIS CASTHOUSE GERMANY GMBH, as a German Borrower and a German Guarantor

By: /s/ Folker Ohle
Name: Folker Ohle
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

NOVELIS NETHERLANDS B.V., as a Dutch Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Collateral Agent, U.S. Swingline Lender and as a Lender

By: /s/ Brandi Petrucci
Name: Brandi Petrucci
Title: Director, Authorized Signatory

WELLS FARGO BANK, N.A. (LONDON BRANCH), as European Swingline Lender

By: /s/ Alison Powell
Name: Alison Powell
Title: _____

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BANK OF AMERICA, N.A.,
as a Lender and an Issuing Bank

By: /s/ Cheryl B. Swan
Name: Cheryl B. Swan
Title: Sr. Vice President

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BANK OF MONTREAL,
as a Lender

By: /s/ Beth Izzo
Name: Beth Izzo
Title: Director

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BANK OF MONTREAL,
as a Lender

By: /s/ Helen Alvarez-Hernandez
Name: Helen Alvarez-Hernandez
Title: Managing Director

BANK OF MONTREAL
Corporate Finance Division
Cross-Border Banking
First Canadian Place - 100 King St. W, 18th Fl
Toronto, Ontario M5X 1A1
CANADA

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BARCLAYS BANK IRELAND PLC,
as a Lender

By: /s/ Mark Pope
Name: Mark Pope
Title: Assistant Vice President

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BARCLAYS BANK PLC,
as an Issuing Bank

By: /s/ Charlene Saldanha
Name: Charlene Saldanha
Title: Vice President

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BNP PARIBAS,
as a Lender

By: /s/ Zachary Kaiser
Name: Zachary Kaiser
Title: Director

By: /s/ Andrew Aran
Name: Andrew Aran
Title: Vice President

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Citibank, N.A.,
as a Lender

By: /s/ David Smith
Name: David Smith
Title: Vice President & Director

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Credit Suisse AG, New York Branch,
as a Lender

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

By: /s/ Michael Wagner
Name: Michael Wagner
Title: Authorized Signatory

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Deutsche Bank AG New York Branch,
as a Lender and an Issuing Bank

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President
philip.tancorra@db.com
212-250-6576

By: /s/ Jessica Lutrario
Name: Jessica Lutrario
Title: Associate
jessica.lutrario@db.com
212-250-8235

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HSBC Bank USA, NA,
as a Lender

By: /s/ Claudia Ramirez
Name: Claudia Ramirez
Title: Vice President, Global Banking,
Multinationals #23395

[SIGNATURE PAGE TO AMENDMENT NO. 11 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

ING CAPITAL LLC,
as a Lender

By: /s/ Jeff Chu
Name: Jeff Chu
Title: Director

By: /s/ Mike Chen
Name: Mike Chen
Title: Director

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JPMORGAN CHASE BANK, N.A.

By: /s/ Oswin Joseph
Name: Oswin Joseph
Title: Executive Director

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MIZUHO BANK, LTD., as a Lender

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Executive Director

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Morgan Stanley Bank, N.A.,
as a Lender

By: /s/ Atu Koffie-Lart
Name: Atu Koffie-Lart
Title: Authorized Signatory

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Regions Bank,
as a Lender

By: /s/ Scott Martin
Name: Scott Martin
Title: Managing Director

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Standard Chartered Bank,
as a Lender

By: /s/ Ambrish Mathur
Name: Ambrish Mathur
Title: Executive Director

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Credit Agricole Corporate and Investment
Bank (Canada Branch), as a Lender

By: /s/ Andrew Sidford
Name: Andrew Sidford
Title: Managing Director

By: /s/ Gordon Yip
Name: Gordon Yip
Title: Director

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Schedule 6.17

Fiscal Year

- 1. Aleris Switzerland GmbH
- 2. Aleris Aluminium UK Limited
- 3. Aleris Asia Pacific International (Barbados) Ltd.
- 4. Novelis Aluminium Beteiligungs GmbH

Schedule 11.29(c)

Specified Restricted Joint Owned Patents

NovelisRef	Novelis Co-Owner	Patent / InvTitle	Jurisdiction	AppNumber	PatNumber
NV0178	Novelis Inc.	IDEA FOR CONTROLLING PRF EXPANSION PROCESS WITHOUT THERMAL GRADIENT	Brazil	BR112012016997-1	BR112012016997-1
			Belgium	11732595.1	2523762
			Czechia	11732595.1	2523762
			European Patent	11732595.1	2523762
			France	11732595.1	2523762
			Germany	11732595.1	602011018467.9
			Korea, Republic of (KR)	10-2012-7019584	1486125
			The Netherlands	11732595.1	2523762
			Spain	11732595.1	2523762
			United Kingdom	11732595.1	2523762
			China	201180013612.9	102781602
			India	6150/DELNP/2012	363703
NV0178	Novelis Inc.	Methods of Pressure Forming Metal Containers and the Like From Preforms Having Wall Thickness Gradient	Italy	11732595.1	2523762
			Canada	2784851	2784851
			Japan	2012-548316	5675844
			United States of America	12/930557	8683837
NV0347	Novelis Inc.	High Strength Aluminum Alloy Fin Material and Process of Producing Same	Brazil	BR112015002412-2	BR112015002412-2
NV0347	Novelis Inc.	High Strength Aluminum Alloy Fin Material and Process of Producing Thereof	China	201380044952.7	104583433
			Germany	112013004245.2	112013004245
			Japan	2012-190397	5854954
			United States of America	14423163	10280495
			Thailand	1501001016	N/A

NV0364	Novelis Inc.	High Strength Aluminum Alloy Fin Stock for Heat Exchanger	Canada	2919662	2919662
			China	201910491513X	N/A
			Austria	14752757.6	3030685
			Belgium	14752757.6	3030685
			European Patent	14752757.6	3030685
			France	14752757.6	3030685
			Germany	14752757.6	3030685
			Italy	14752757.6	3030685
			Norway	14752757.6	3030685
			Spain	14752757.6	3030685
			Switzerland	14752757.6	3030685
			United Kingdom	14752757.6	3030685
			Japan	2016-533429	6673826
			Korea, Republic of (KR)	10-2016-7006162	101988704
			Mexico	MX/a/2016/001558	374292
NV0373	Novelis Inc.	Aluminum Alloy for Heat Exchanger Fins	Czechia	15747959.3	3177748
			European Patent	15747959.3	3177748
			France	15747959.3	3177748
			Germany	15747959.3	602015059821.0
			Italy	15747959.3	3177748
			Spain	15747959.3	3177748
			United Kingdom	15747959.3	3177748
			Japan	2017-526487	6751713
			Korea, Republic of (KR)	10-2017-7005988	10-1941380
			United States of America	17/656793	N/A
			China	201580042137.6	106574326 ZL201580042137.6

NV0594	Novelis Inc.	Metal Surface Coatings for Improving Bond Performance and Methods of Making the Same	Canada	3146449	N/A
			Mexico	MX/a/2022/002964	N/A
			China	114423828	N/A
			Europe	3997180	N/A
			Japan	2022548271	N/A
			Korea	20220054647	N/A
			United States	US20220340763	N/A
NV0778	Novelis Inc.	Aluminum Alloys for Fluxless Brazing Applications, Methods of Making the Same, and Uses Thereof	China	Serial Number: 202080042295.2 Publication Number: 113924185	N/A
			Canada	3138936	N/A
			European Patent	Serial Number: 20724359.3 Publication Number: 3972775	N/A
			Japan	Serial Number: 2021-568913 Publication Number: 2022533827	N/A
			Korea, Republic of (KR)	Serial Number: 10-2021-7039528 Publication Number: 20220003083	N/A
			South Africa	2021/08849	N/A
			United States of America	Serial Number: 17/594957 Publication Number: US20220324065	N/A
NV1048	Novelis Inc.	Systems and Methods for Improving Resistance Spot Welding with Cast Aluminum	United States of America	63/367409	N/A

AMENDMENT NO. 7 TO CREDIT AGREEMENT

dated as of March 31, 2023,

between

**NOVELIS INC.,
as Borrower of Tranche A-1 Term Loans,**

**NOVELIS ALR ALUMINUM HOLDINGS CORPORATION
(f/k/a Aleris Corporation),
as Co-Borrower of Aleris Incremental Term Loans,**

**AV MINERALS (NETHERLANDS) N.V.,
as Holdings,**

THE OTHER LOAN PARTIES PARTY HERETO,

THE THIRD PARTY SECURITY PROVIDER,

and

**STANDARD CHARTERED BANK,
as Administrative Agent and as Collateral Agent**

and

the Lenders signatory hereto.

This **AMENDMENT NO. 7 TO CREDIT AGREEMENT** (this “**Amendment**”), dated as of March 31, 2023, is entered into among **NOVELIS INC.**, a corporation amalgamated under the Canada Business Corporations Act and having its corporate office at One Phipps Plaza, 3550 Peachtree Road Suite 1100, Atlanta, GA 30326, USA (“**Novelis Inc.**”), as Borrower, **NOVELIS ALR ALUMINUM HOLDINGS CORPORATION** (f/k/a Aleris Corporation), a Delaware corporation, as Co-Borrower of Aleris Incremental Term Loans (“**ALR Aluminum**”), **AV MINERALS (NETHERLANDS) N.V.**, a corporation organized under the laws of the Netherlands (“**Holdings**”), the other **LOAN PARTIES** (as defined in the Credit Agreement referred to below), **NOVELIS ITALIA S.P.A.** (the “**Third Party Security Provider**”), **STANDARD CHARTERED BANK**, being a company incorporated in England by Royal Charter 1853, with reference number ZC18 and whose registered office is 1 Basinghall Avenue, London EC2V 5DD, as administrative agent (in such capacity, and together with its successors in such capacity, “**Administrative Agent**”), and as collateral agent (in such capacity, and together with its successors in such capacity, “**Collateral Agent**”) under the Credit Agreement referred to below, and the lenders signatory hereto.

RECITALS

WHEREAS, Novelis Inc., ALR Aluminum, the Loan Parties from time to time party thereto, the Administrative Agent, the Collateral Agent and the Lenders from time to time party thereto, entered into that certain Credit Agreement, dated as of January 10, 2017 (as amended, supplemented, restated or otherwise modified prior to the date hereof, the “**Credit Agreement**”; the Credit Agreement, as amended by this Amendment, the “**Amended Credit Agreement**”);

WHEREAS, Novelis Inc. has requested amendments to the Credit Agreement as herein set forth;

WHEREAS, Novelis Inc., ALR Aluminum, the other Loan Parties, the Third Party Security Provider, the Administrative Agent, the Collateral Agent and the Lenders party hereto, have agreed to amend the Credit Agreement on the terms and subject to the conditions herein provided;

WHEREAS, certain of the Loan Parties are party to Joint Development Agreements pursuant to which each such Loan Party has obtained a joint ownership interest in certain patents developed under such Joint Development Agreement (the “**Jointly Owned Intellectual Property**”). Novelis Inc. has informed the Administrative Agent and the Lenders that (i) prior to the Amendment Effective Date, certain Loan Parties have previously incorrectly represented under the Loan Documents that they, individually, were the sole owners of the Jointly Owned Intellectual Property and that such Jointly Owned Intellectual Property was not subject to any agreement which would restrict the transferability of such Jointly Owned Intellectual Property or otherwise impair or conflict with such Loan Party’s obligations or the rights of the Collateral Agent under the applicable Loan Documents (the “**IP Disclosure Error**”) and (ii) as of the Amendment Effective Date, certain of the Joint Development Agreements contain customary covenants or restrictions restricting the pledge of any Jointly Owned Intellectual Property which may violate the terms of Section 6.19 of the Credit Agreement (the “**JDA Pledge Restrictions**”);

WHEREAS, the Irish Guarantor is a holding company with no operations and, prior to September 1, 2022, maintained its sole address and location of books and records at the address maintained by its legal counsel in Ireland (the “**Existing Irish Address**”). Novelis Inc. has informed the Administrative Agent and the Lenders that, as a result of ongoing renovations at the Existing Irish Address, effective September 1, 2022, the Irish Guarantor temporarily changed the location of its sole address and location of books and records to a temporary address

maintained by its legal counsel in Ireland (the “**Irish Address Change**”). Novelis Inc. anticipates that the Irish Guarantor will change its address and location of books and records back to the Existing Irish Address upon completion of the renovations. As of the date hereof, the renovations to the Existing Irish Address are expected to be completed during the course of 2024; and

WHEREAS, Novelis Inc. has requested that the Administrative Agent and each Lender agree to waive any breach or violation under the Credit Agreement resulting from the IP Disclosure Error, the JDA Pledge Restrictions, and/or the Irish Address Change.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and obligations herein set forth and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties and covenants contained herein and in the Amended Credit Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein, including in the preamble and recitals hereto, shall have the meanings ascribed to such terms in the Amended Credit Agreement.

Section 2. Amendments; Waiver.

2.01 Subject to the terms and conditions set forth herein, effective as of the Amendment Effective Date (as defined below):

(a) the Credit Agreement (including Exhibit E, but excluding all other existing Exhibits and Schedules, each of which shall remain as in effect immediately prior to the Amendment Effective Date) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined) as set forth in the pages of the Amended Credit Agreement attached as Annex I hereto;

(b) Exhibit E to the Credit Agreement is hereby amended and restated in its entirety in the form of the correspondingly lettered Exhibit hereto; and

(c) Schedules 6.17 and 11.29(c) are hereby added to Credit Agreement in the form of the correspondingly numbered Schedules hereto.

Notwithstanding anything to the contrary in this Amendment or in any other Loan Document, by executing the Amendment or becoming a party to the Amended Credit Agreement, each Loan Party, each Agent and each Lender acknowledges and agrees that (i) solely for the period beginning on the Amendment Effective Date and ending on the last day of the Interest Period for Loans bearing interest at the Eurodollar Rate (as defined in the Credit Agreement) as in effect at the time this Amendment is effective on the Amendment Effective Date, all benchmark provisions and definitions for Loans bearing interest at the Eurodollar Rate set forth in the Credit Agreement shall continue in effect for the purpose of calculation and payment of interest under the Amended Credit Agreement, solely to the extent such Loans have not otherwise been converted to bear interest at a different rate during such period, without regard to the implementation of Term SOFR as the benchmark interest rate under the Amended Credit Agreement, and (b) automatically upon the end of the period described in clause (a) above, all terms under the Amended Credit Agreement implementing Term SOFR as the benchmark interest rate thereunder shall automatically be deemed effective, and so long as no Default exists at such time, any Loans bearing interest at the Eurodollar Rate under the Amended Credit Agreement then outstanding shall automatically be converted into SOFR Loans unless the

Designated Company has otherwise delivered an Interest Election Request to the Administrative Agent directing otherwise in accordance with the Amended Credit Agreement.

2.02 As of the Amendment Effective Date, immediately prior to giving effect to Section 2.01 above, the Administrative Agent and each Lender hereby waive the occurrence of any Default or Event of Default resulting from the IP Disclosure Error and/or the JDA Pledge Restrictions, including without limitation any Default or Event of Default arising as a result of (i) any representation made under any Loan Document regarding the ownership of the Jointly Owned Intellectual Property proving to have been false or misleading in any material respect when so made, (ii) any representation made under any Loan Document regarding the existence of agreements which would restrict the transferability of such Jointly Owned Intellectual Property or otherwise impair or conflict with any Loan Party's obligations or the rights of the Collateral Agent proving to have been false or misleading in any material respect when so made, (iii) any breach of Section 6.19 of the Credit Agreement due to the JDA Pledge Restrictions, (iv) any breach of Section 5.13 of the Credit Agreement due to the Irish Address Change, and (v) any failure to deliver notice of any of the foregoing (collectively, the "**Waiver**").

Section 3. Conditions Precedent to Effectiveness of this Amendment. This Amendment shall become effective as of the first date (the "**Amendment Effective Date**") on which each of the following conditions precedent shall have been satisfied (or duly waived by the Administrative Agent, the Collateral Agent and the Lenders party hereto):

(a) Amendment. The Administrative Agent shall have received this Amendment, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders party hereto (which shall constitute all of the Lenders), duly executed by each of the Loan Parties, the Third Party Security Provider, the Lenders, the Administrative Agent and the Collateral Agent.

(b) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in Section 4 hereof, in ARTICLE III of the Amended Credit Agreement, or in any other Loan Document (after giving effect to the Waiver) are true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, "Material Adverse Effect" or similar language, in all respects) on and as of the Amendment Effective Date, except to the extent such representations and warranties expressly related to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, "Material Adverse Effect" or similar language, in all respects) as of such earlier date.

(c) No Default or Event of Default. After giving effect to this Amendment, including the Waiver, no Default or Event of Default shall have occurred and be continuing.

Section 4. Representations and Warranties. Each Loan Party and the Third Party Security Provider represents and warrants to the Administrative Agent, the Collateral Agent and each Lender as follows:

(a) After giving effect to this Amendment, each of the representations and warranties in the Amended Credit Agreement are true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, "Material Adverse Effect" or similar language, in all respects) on and as of the date hereof as though made on and as of such date, except to the extent that any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties are true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, "Material Adverse Effect" or similar language, in all respects) as of such earlier date.

(b) The execution and delivery by the Designated Company, each other Loan Party and the Third Party Security Provider of this Amendment and each other Loan Document to which it is a party entered into on the date hereof, and the performance of this Amendment, the Amended Credit Agreement, and such other Loan Documents, in each case by the Designated Company, each other Loan Party and the Third Party Security Provider party thereto, in each case have been duly authorized by all requisite organizational action on its part and will not violate any of its Organizational Documents.

(c) This Amendment and each other Loan Document entered into on the date hereof has been duly executed and delivered by the Designated Company, each other Loan Party and the Third Party Security Provider, in each case that is a party thereto, and each of this Amendment, the Amended Credit Agreement and each other Loan Document entered into on the date hereof constitutes the Designated Company's, such Loan Party's or such Third Party Security Provider's, as applicable, and to the extent that such Person is a party to such document, legal, valid and binding obligation, enforceable against it in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(d) After giving effect to this Amendment, including the Waiver, no Default or Event of Default has occurred and is continuing as of the date hereof.

(e) As of the Amendment Effective Date, both immediately before and immediately after giving effect to the transactions contemplated hereby and that occur on such dates:

(i) No Loan Party or any of its Subsidiaries, or to the knowledge of the any Loan Party, any director, officer, agent, employee, or other person acting on behalf of any Loan Party, is in violation of any Requirement of Law relating to terrorism or money laundering, including the Executive Order and the Anti-Terrorism Laws.

(ii) No Loan Party or any of its Subsidiaries, and to the knowledge of the Loan Parties, any director, officer, agent, employee, or other person acting on behalf of any Loan Party, and no broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Loans, is any of the following:

(A) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(E) a person that is named as a "specially designated national and blocked person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list.

(iii) No Loan Party and, to the knowledge of the Loan Parties, no broker or other agent of any Loan Party acting in any capacity in connection with the Loans (w) conducts

any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clauses (i) through (v) above in a manner violative of the Executive Order, any applicable Sanctions or Anti-Terrorism Law, (x) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or Anti-Terrorism Laws, (y) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or (z) is in violation of any applicable Anti-Terrorism Laws.

(iv) Neither the advance of any Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act or the Foreign Assets Control Regulations or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) the Executive Order and (b) the Patriot Act) or any other applicable Sanctions. Furthermore, none of the Loan Parties or their Subsidiaries (including Unrestricted Subsidiaries) and, to the Loan Parties' knowledge, their and their Subsidiaries' respective directors, officers, employees, Affiliates or agents (in the case of agents, that will act in any capacity in connection with or benefit from this Amendment) (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or with any Sanctioned Person, in each case, in any manner violative of any applicable Sanctions or Anti-Terrorism Law or (c) is a Sanctioned Person. Each Loan Party is in compliance, in all material respects, with the Patriot Act. Each Loan Party, its Subsidiaries and their respective officers and employees and to the knowledge of such Loan Party its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in Holdings or any of its Subsidiaries being designated as a Sanctioned Person. No part of the proceeds of any Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any law, rule or regulation of any jurisdiction applicable to Holdings or any of its Subsidiaries from time to time concerning or relating to bribery or corruption including the *Corruption of Foreign Public Officials Act* (Canada).

(f) As of the Amendment Effective Date, none of the Specified Restricted Joint Owned Patents, either individually or collectively, are material to the business of the Companies, taken as a whole.

Notwithstanding the foregoing terms of this Section 4, no Affected Credit Party shall be entitled to the benefit of the representations in this Section 4 to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws.

Section 5. Continuing Effect; Liens and Guarantees; No Novation.

(a) Each of the Loan Parties and the Third Party Security Provider hereby consents to this Amendment. Each of the Loan Parties and the Third Party Security Provider hereby acknowledges and agrees that all of its Secured Obligations, including all Liens and (in the case of the Loan Parties) Guarantees granted to or provided for the benefit of the Secured Parties under the applicable Loan Documents, are ratified and reaffirmed and that such Liens and Guarantees shall continue in full force and effect on and after Amendment Effective Date to secure and support the Secured Obligations of the Designated Company and the Guarantors. Each of the Loan Parties hereby further ratifies and reaffirms the validity, enforceability and binding nature of the Secured Obligations.

(b) Holdings, the Co-Borrowers, and each Subsidiary Guarantor hereby (i) acknowledges and agrees to the terms of this Amendment and the Amended Credit Agreement and (ii) confirms and agrees that, each of its Guarantee and any Foreign Guarantee is, and shall continue to be, in full force and effect, and shall apply to all Secured Obligations without defense, counterclaim or offset of any kind and each of its Guarantee and any such Foreign Guarantee is hereby ratified and confirmed in all respects. The Co-Borrowers hereby confirm their respective liabilities for the Secured Obligations, without defense, counterclaim or offset of any kind.

(c) Holdings, the Designated Company, each other Loan Party and the Third Party Security Provider hereby ratifies and reaffirms the validity and enforceability (without defense, counterclaim or offset of any kind) of the Liens and security interests granted by it to the Collateral Agent for the benefit of the Secured Parties to secure any of the Secured Obligations by Holdings, the Designated Company, any other Loan Party and the Third Party Security Provider pursuant to the Loan Documents to which any of Holdings, the Designated Company, any other Loan Party or the Third Party Security Provider is a party and hereby confirms and agrees that notwithstanding the effectiveness of this Amendment, and except as expressly amended by this Amendment, each such Loan Document is, and shall continue to be, in full force and effect and each is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of this Amendment, each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" (and each reference in the Credit Agreement to this "Agreement", "hereunder" or "hereof") or words of like import shall mean and be a reference to the Amended Credit Agreement.

(d) Without limiting the generality of this Section 5 or Section 6, (i) neither this Amendment, the Amended Credit Agreement, nor any other Loan Document entered into in connection herewith or therewith, shall extinguish the "Secured Obligations" (or any term of like import) as defined or referenced in each Security Agreement, or the "Secured Obligations" under and as defined in the Credit Agreement (collectively, the "**Loan Document Secured Obligations**"), or discharge or release the priority of any Loan Document, and any security interest previously granted pursuant to each Loan Document is hereby reaffirmed and each such security interest continues in effect and secures the Loan Document Secured Obligations, (ii) nothing contained herein, in the Amended Credit Agreement or any other Loan Document entered into in connection herewith or therewith shall be construed as a substitution or novation of all or any portion of the Loan Document Secured Obligations or instruments securing any of the foregoing, which shall remain in full force and effect and shall continue as obligations under the Amended Credit Agreement, and (iii) nothing implied in this Amendment, the Amended Credit Agreement or any other Loan Document entered into in connection herewith or therewith, or in any other document contemplated hereby or thereby shall be construed as a release or other discharge of any Loan Party or the Third Party Security Provider from any of its Loan Document Secured Obligations, it being understood that such obligations shall continue as obligations under the Amended Credit Agreement.

Section 6. Reference to and Effect on the Loan Documents.

(a) Except as expressly set forth in this Amendment, all of the terms and provisions of the Credit Agreement and the other Loan Documents (including all exhibits and schedules to each of the Credit Agreement and the other Loan Documents) are and shall remain in full force and effect and are hereby ratified and confirmed. The amendments provided for herein, in Annex I, and in the Exhibits and Schedules attached hereto are limited to the specific provisions of the Credit Agreement specified herein and therein and shall not constitute an amendment of, or an indication of the Administrative Agent's, the Collateral Agent's or any Lender's willingness to amend or waive, any other provisions of the Credit Agreement, any other provisions of the Credit

Agreement as amended hereby, or the same sections or any provision of any other Loan Document on any other date or for any other purpose.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent, the Collateral Agent, or any Lender under the Credit Agreement or any Loan Document, or constitute a waiver or amendment of any other provision of the Credit Agreement or any Loan Document except as and to the extent expressly set forth herein.

(c) The execution and delivery of this Amendment by any Loan Party or Third Party Security Provider shall not constitute a joinder by, or agreement to be bound by the terms of, any Loan Document to which such Loan Party or Third Party Security Provider is not a party.

(d) This Amendment shall constitute a Loan Document.

Section 7. Further Assurances; Post-Closing Requirements.

7.01 The Designated Company, each other Loan Party and the Third Party Security Provider hereby agrees to execute any and all further documents, agreements and instruments and take all further actions that the Administrative Agent deems reasonably necessary or advisable in connection with this Amendment, including to continue and maintain the effectiveness of the Liens and guarantees provided for under the Loan Documents, with the priority contemplated under the Loan Documents. The Administrative Agent and the Collateral Agent are hereby authorized by the Lenders to enter into all such further documents, agreements and instruments, and to file all financing statements deemed by the Administrative Agent or the Collateral Agent to be reasonably necessary or advisable in connection with this Amendment.

7.02 With respect to any Collateral Documents, Guarantees, Foreign Guarantees, and any other Loan Documents where it is advisable, or that are required by local law, to specifically refer to the interest rates, margins and other similar details (collectively, the “**Required Terms**”) applicable to the Loans and other Obligations, each Loan Party and the Third Party Security Provider hereby agrees to execute and deliver the agreements, documents and filings described on Annex II hereto, within the time period required thereby (or such longer period or periods as may be agreed to by the Administrative Agent in its sole discretion), and any and all further documents, agreements and instruments as are reasonably necessary, in the opinion of the Administrative Agent, to amend, modify or supplement such Collateral Documents, Guarantees, Foreign Guarantees, and other Loan Documents to reflect the Required Terms in connection with this Amendment and any Conforming Changes affecting the same, as soon as reasonably practicable following the Administrative Agent’s request therefor.

Section 8. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form (e.g. a facsimile copy, electronic image scan transmission such as PDF via e-mail) each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Requirements of Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures

in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

Section 9. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

Section 10. SUBMISSION TO JURISDICTION. EACH LOAN PARTY (AND THE THIRD PARTY SECURITY PROVIDER) HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES (AND THE THIRD PARTY SECURITY PROVIDER AND ITS PROPERTIES) IN THE COURTS OF ANY JURISDICTION.

Section 11. Headings. Section headings contained in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

Section 12. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized signatories, officers or members on the date first indicated above.

NOVELIS INC., as the Designated Company and the Borrower

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

AV MINERALS (NETHERLANDS) N.V., as Holdings and a Dutch Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS CORPORATION, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS GLOBAL EMPLOYMENT ORGANIZATION, INC., as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Assistant Treasurer

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NOVELIS SOUTH AMERICA HOLDINGS LLC, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS HOLDINGS INC., as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS UK LTD, as a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

NOVELIS EUROPE HOLDINGS LIMITED,
as a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

NOVELIS SERVICES LIMITED,
as a U.K. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

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NOVELIS AG, as a Swiss Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS SWITZERLAND SA,
as a Swiss Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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4260848 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

4260856 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

8018227 CANADA INC., as a Canadian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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SIGNED AND DELIVERED AS A DEED
for and on behalf of NOVELIS ALUMINIUM HOLDING UNLIMITED COMPANY
by its lawfully appointed attorney,
as Irish Guarantor
in the presence of:

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney

witness:

By: /s/ Keaston Hall
Name: Keaston Hall
Title: Contracts Counsel

Address: 3550 Peachtree Road
Suite 1100
Atlanta, GA 30326

Occupation: Attorney

[Signature Page to Amendment No. 7 to Credit Agreement]

NOVELIS DEUTSCHLAND GMBH,
as a German Guarantor

By: /s/ Nils Leonhardt
Name: Nils Leonhardt
Title: Managing Director

NOVELIS SHEET INGOT GMBH,
as a German Guarantor

By: /s/ Peter Haycock
Name: Peter Haycock
Title: Director

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NOVELIS DO BRASIL LTDA.,
as Brazilian Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney-in-Fact

witness:

By: /s/ Keaston Hall
Name: Keaston Hall
Title: Contracts Counsel

witness:

By: /s/ Chirag P. Shah
Name: Chirag P. Shah
Title: Assistant General Counsel

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NOVELIS PAE S.A.S., as French Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Attorney-in-Fact

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NOVELIS MEA LTD, a Company Limited by Shares under the Companies Law of the Dubai
International Financial Centre,
as Dubai Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS ALR ALUMINUM HOLDINGS CORPORATION, as a Co-Borrower and a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR INTERNATIONAL, INC., as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ROLLED PRODUCTS, INC., as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ASSET MANAGEMENT CORPORATION, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ROLLED PRODUCTS, LLC, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ROLLED PRODUCTS SALES CORPORATION, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS ALR ROLLED PRODUCTS, LLC,
as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR RECYCLING OF OHIO, LLC, as
a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ALUMINUM-ALABAMA, LLC, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

NOVELIS ALR ALUMINUM, LLC, as a U.S. Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS DEUTSCHLAND HOLDING GMBH, as a German Guarantor

By: /s/ Roland Leder
Name: Roland Leder
Title: Managing Director

NOVELIS KOBLENZ GMBH, as a German Guarantor

By: /s/ Anja Lambrecht
Name: Anja Lambrecht
Title: Managing Director

NOVELIS CASTHOUSE GERMANY GMBH, as a German Guarantor

By: /s/ Folker Ohle
Name: Folker Ohle
Title: Managing Director

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NOVELIS NETHERLANDS B.V., as a Dutch Guarantor

By: /s/ Gregg Murphey
Name: Gregg Murphey
Title: Authorized Signatory

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NOVELIS ITALIA S.P.A., as Third Party Security Provider

By: /s/ Gregg Murphey

Name: Gregg Murphey

Title: Attorney

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STANDARD CHARTERED BANK, as
Administrative Agent and as Collateral Agent

By: /s/ Gian Moreira

Name: Gian Moreira

Title: Associate Director

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AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, SINGAPORE BRANCH

By: /s/ Yogesh Venkatachalam
Name: Yogesh Venkatachalam
Title: Executive Director

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AXIS BANK LIMITED IFSC BANKING UNIT (IBU) GIFT CITY

By: /s/ K.C. Harichandan
Name: K.C. Harichandan
Title: Head - Operations

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BANK OF AMERICA, N. A.

By: /s/ Myrna F Green
Name: Myrna F Green
Title: Assistant Vice President

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Bank of Baroda as a Lender

By: /s/ Sudip Kumar Ghatak
Name: Sudip Kumar Ghatak
Title: Chief Manager
Syndication Center,
Zonal office, Dubai
UAE

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BANK OF BARODA NEW YORK BRANCH

By: /s/ Balakumar Sivakumar
Name: Balakumar Sivakumar
Title: Assistant General Manager

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39091-2100 37422605.8

BNP PARIBAS

By: /s/ Dominic Pan
Name: Dominic Pan
Title: Director
Head of Loans & Specialized Finance -
Energy & Natural Resources

By: /s/ Ramakrishna Pataballa
Name: Ramakrishna Pataballa
Title: Managing Director
Head, Project Finance and Debt Advisory

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CITIBANK, N.A.

By: /s/ Anand Chandrasekhar
Name: Anand Chandrasekhar
Title: Managing Director

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CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HONG KONG BRANCH
(INCORPORATED IN FRANCE WITH LIMITED LIABILITY)

By: /s/ Christophe Cretot
Name: Christophe Cretot
Title: Managing Director

By: /s/ Kenneth Lee
Name: Kenneth Lee
Title: Managing Director

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DBS BANK LTD.

By: /s/ Kate Khoo
Name: Kate Khoo
Title: Vice President

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DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President
philip.tancorra@db.com
212-250-6576

By: /s/ Jessica Lutrario
Name: Jessica Lutrario
Title: Associate
jessica.lutrario@db.com
212-250-8235

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FIRST ABU DHABI BANK PJSC

By: /s/ Zaryan Ahmed

Name: Zaryan Ahmed

Title: Executive Director, Loan Syndicate and Distribution

By: /s/ Tonmoy Andalib

Name: Tonmoy Andalib

Title: Managing Director, Head, LSD and Portfolio Management

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FIRST ABU DHABI BANK USA N.V.

By: /s/ David Young
Name: David Young
Title: Head of Americas - Structured Finance

By: /s/ Hussam Al Najjar
Name: Hussam Al Najjar
Title: Head of Operations

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HDFC BANK LIMITED, GIFT IBU

By: /s/ VISWANATHIYER
Name: VISWANATHIYER
Title: OPERATIONS HEAD - IBU

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HSBC BANK PLC

By: /s/ Caroline Mash
Name: Caroline Mash
Title: Authorised Signatory

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HSBC BANK USA, N.A.

By: /s/ Claudia Ramirez
Name: Claudia Ramirez
Title: Vice President, Global Banking
Multinationals #23395

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ICICI BANK CANADA

By: /s/ Lester Fernandes
Name: Lester Fernandes
Title: Head, Commercial & Corporate Banking

By: /s/ Jigar Jain
Name: Jigar Jain
Title: Chief Risk Officer

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ICICI BANK LIMITED, NEW YORK BRANCH

By: /s/ Nitin Gupta
Name: Nitin Gupta
Title: Business Head

[Signature Page to Amendment No. 7 to Credit Agreement]

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ING BANK N.V. SINGAPORE BRANCH

By: /s/ Paul Verwijmeren / Milly Tan
Name: Paul Verwijmeren / Milly Tan
Title: Managing Director / Director

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JPMORGAN CHASE BANK, N.A.

By: /s/ Oswin Joseph
Name: Oswin Joseph
Title: Executive Director

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MIZUHO BANK, LTD.

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Executive Director

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MUFG BANK, LTD., LABUAN BRANCH,
LICENSED LABUAN BANK (960051C)

By: /s/ Eric Leong Yuh Haw
Name: Eric Leong Yuh Haw
Title: Director

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MUFG BANK, LTD., LONDON BRANCH

By: /s/ Miwa Kosaka Allen
Name: Miwa Kosaka Allen
Title: Director

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SIEMENS BANK GMBH SINGAPORE BRANCH

By: /s/ Ranu Bhandari
Name: Ranu Bhandari
Title: Head of Risk, Industry and
Healthcare Finance
Asia and Australia

By: /s/ FIRDAUS ISMANI
Name: FIRDAUS ISMANI
Title: Associate - Risk Management

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SOCIETE GENERALE, HONG KONG BRANCH
(a public limited company incorporated in France)

By: /s/ Olivier Vercaemer
Name: Olivier Vercaemer
Title: Deputy Head Of Global Banking
& Advisory, Asia Pacific
Societe Generale
A limited liability company
incorporated in France

By: /s/ Yvonne Ng
Name: Yvonne Ng
Title: Director
Global Banking & Advisory
Societe Generale
A limited liability company
incorporated in France

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STANDARD CHARTERED BANK

By: /s/ Ambrish Mathur
Name: Ambrish Mathur
Title: Executive Director

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STATE BANK OF INDIA, NEW YORK BRANCH

By: /s/ Gangeshwar Jha
Name: Gangeshwar Jha
Title: Vice President & Head Credit

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SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Osamu Nakai
Name: Osamu Nakai
Title: Executive Director

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SUMITOMO MITSUI BANKING CORPORATION SINGAPORE BRANCH
(incorporated in Japan with limited liability)
Reg. No. (UEN) T03FC6366F

By: /s/ Sriram Kumondur
Name: Sriram Kumondur
Title: Executive Director & Head of India
Offshore Banking
Corporate Banking Asia Pacific

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Annex I

Amended Credit Agreement

See attached.

CREDIT AGREEMENT

dated as of January 10, 2017,
as amended through ~~July 25~~ March 31, 2022 2023,

among

NOVELIS INC.,
as Borrower of Tranche A-1 Term Loans,

NOVELIS ALR ALUMINUM HOLDINGS CORPORATION
(f/k/a Aleris Corporation),

as Co-Borrower of Aleris Incremental Term Loans,
AV ~~METALS INC~~ MINERALS (NETHERLANDS) N.V.,
as Holdings,

and

THE OTHER LOAN PARTIES PARTY HERETO,

THE LENDERS PARTY HERETO, and

STANDARD CHARTERED BANK,
as Administrative Agent and Collateral Agent.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED,

AXIS BANK LIMITED,

BANK OF BARODA,

BARCLAYS BANK PLC,

CITIGROUP GLOBAL MARKETS ASIA LIMITED,

ICICI BANK LIMITED,

ING BANK N.V., SINGAPORE BRANCH,

KOTAK MAHINDRA BANK LIMITED,

STANDARD CHARTERED BANK,

STATE BANK OF INDIA, and

MUFG BANK, LTD.,

as Mandated Lead Arrangers and Bookrunners.

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CREDIT AGREEMENT

This CREDIT AGREEMENT, dated as of January 10, 2017 (as amended, restated, amended and restated, supplemented or modified, the “**Agreement**”), is among NOVELIS INC., a corporation amalgamated under the Canada Business Corporations Act and having its corporate office at ~~Two Alliance Center, 3560 Lenox~~One Phipps Plaza, 3550 Peachtree Road, Suite ~~2000~~1100, Atlanta, GA 30326, USA, as borrower (in such capacity, and together with its successors in such capacity, the “Borrower”), AV ~~METALS INC., a corporation formed~~MINERALS (NETHERLANDS) N.V., a company organized under the ~~Canada Business Corporations Act~~laws of the Netherlands and having its corporate office at ~~Two Alliance Center, 3560 Lenox Road, Suite 2000, Atlanta, GA 30326, USA~~Hoogoorddreef 15, 1101 BA Amsterdam, Netherlands, the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, and Standard Chartered Bank, being a company incorporated in England by Royal Charter 1853, with reference number ZC18 and whose registered office is 1 Basinghall Avenue, London EC2V 5DD, as administrative agent (in such capacity, and together with its successors in such capacity, “**Administrative Agent**”) for the Lenders and as collateral agent (in such capacity, and together with its successors in such capacity, “**Collateral Agent**”) for the Lenders.

WITNESSETH:

WHEREAS, the Borrower has requested that the Lenders extend credit in the form of Term Loans on the Closing Date in an aggregate principal amount not in excess of \$1,800,000,000.

WHEREAS, the proceeds of the Term Loans are to be used in accordance with Section 3.12.

WHEREAS, the Designated Company has requested that the Aleris Incremental Term Lenders extend credit in the form of Aleris Incremental Term Loans in an aggregate principal amount not in excess of \$775,000,000 in accordance with the terms, and subject to the conditions, set forth herein and in the Aleris Increase Joinder Amendment.

WHEREAS, the proceeds of the Aleris Incremental Term Loans are to be used in accordance with Section 3.12, subject to the escrow terms and conditions set forth in Section 2.21 and in the Aleris Increase Joinder Amendment.

WHEREAS, the Designated Company has requested that the Tranche A-1 Term Lenders extend credit in the form of Tranche A-1 Term Loans in an original aggregate principal amount not in excess of \$500,000,000 in accordance with the terms, and subject to the conditions, set forth herein and in the Tranche A-1 Refinancing Amendment.

WHEREAS, the proceeds of the Tranche A-1 Term Loans are to be used in accordance with Section 3.12.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 **Defined Terms**. As used in this Agreement (including the preamble), the following terms shall have the meanings specified below:

“Account Debtor” shall mean “Account Debtor,” as such term is defined in the UCC.

“Accounts” shall mean all “accounts,” as such term is defined in the UCC, in which any Loan Party or any of its Restricted Subsidiaries now or hereafter has rights.

“Acquisition” shall mean any transaction or series of related transactions for the direct or indirect (a) acquisition of all or substantially all of the property and assets or business of any Person, or of any business unit, line of business or division of any Person or assets constituting a business unit, line of business or division of any other Person (other than a Person that is a Restricted Subsidiary on the Closing Date), (b) acquisition of in excess of 50% of the Equity Interests of any Person or otherwise causing a person to become a Restricted Subsidiary of the acquiring Person (other than in connection with the formation or creation of a Restricted Subsidiary of the Designated Company by any Company), or (c) merger, consolidation or amalgamation, whereby a person becomes a Restricted Subsidiary of the acquiring person, or any other consolidation with any Person, whereby a Person becomes a Restricted Subsidiary of the acquiring Person.

“Acquisition Consideration” shall mean the purchase consideration for any Acquisition, whether paid in cash, properties, any assumption of Indebtedness or otherwise (other than by the issuance of Qualified Capital Stock of Holdings (and, after the Specified AV Minerals Joinder Date, AV Minerals) permitted to be issued hereunder) and whether payable at or prior to the consummation of such Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and includes any and all payments representing “earn-outs” and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; provided that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under US GAAP at the time of such sale to be established in respect thereof by Holdings (and, after the Specified AV Minerals Joinder Date, AV Minerals), the Designated Company or any of its Restricted Subsidiaries.

“Additional Fee Letter” shall mean any fee letter designated as such in any Increase Joinder.

“Additional Lender” shall mean, at any time, any financial institution that is an Eligible Assignee and that agrees to provide any portion of any (a) Incremental Term Loans pursuant to an Increase Joinder in accordance with Section 2.23, or (b) Credit Agreement Refinancing Indebtedness pursuant to a Refinancing Amendment in accordance with Section 2.24.

“Additional Senior Secured Indebtedness” shall mean any Indebtedness incurred in reliance of Section 6.01(u).

“Additional Senior Secured Indebtedness Documents” shall mean all documents executed and delivered with respect to the Additional Senior Secured Indebtedness or delivered in connection therewith.

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (i) Term SOFR for such calculation plus (ii) 0.15%; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent” shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X.

“Administrative Agent’s Office” shall mean the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 1.01(e), or such other address or account as the Administrative Agent may from time to time notify to the Designated Company and the Lenders.

“Administrative Questionnaire” shall mean an Administrative Questionnaire in substantially the form of Exhibit A, or any other form approved by the Administrative Agent.

“Affected Credit Party” shall mean any Credit Party (but, for the avoidance of doubt, only to the extent so notified) that has notified the Administrative Agent in writing that it is an “Affected Credit Party” with respect to the relevant sanctions provisions within this Agreement.

“Affected Financial Institution” shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; ~~provided, however,~~ that, for purposes of Section 6.09, the term “Affiliate” shall also include (i) any person that directly or indirectly owns more than 10% of the voting power of the total outstanding Voting Stock of the person specified or (ii) any person that is an executive officer or director of the person specified.

“Agent Fee Letter” shall mean the amended and restated fee letter among the Borrower, Aleris, the Administrative Agent and the Collateral Agent, dated the Tranche A-1 Amendment Effective Date.

“Agents” shall mean the Administrative Agent and the Collateral Agent; and **“Agent”** shall mean any of them.

“Agreed Guarantee and Security Principles” shall mean the following principles that embody a recognition by all parties to this Agreement that there may be certain legal and practical limitations on the scope and enforceability of guarantees and security from the Guarantors in certain jurisdictions outside of the United States and Canada that become parties to this agreement after the Second Amendment Effective Date. In particular:

(a) general statutory limitations, capital maintenance, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, regulatory restrictions and similar principles may require that the guarantee and/or security be limited by an amount or otherwise. If any such limit applies, the guarantees and security provided may be limited to the maximum amount which the relevant Guarantor may provide having regard to applicable law under the jurisdiction of organization of such Guarantor; and

(b) to the extent required to comply with applicable law, guarantees and security may be limited to mitigate a risk to the directors or officers of the relevant grantor of such guarantee and security of contravention of any statutory duty in such capacity or their fiduciary duties and/or which could reasonably be expected to result in personal, civil or criminal liability on the part of any such director or officer.

“Agreement” shall have the meaning assigned to such term in the preamble hereto.

“Agreement Termination Date” shall mean the date that is seven Business Days after the Effective Date.

“Aleris” shall mean Aleris Corporation, a Delaware corporation.

“**Aleris Acquisition**” shall mean the acquisition by Novelis Acquisitions of Aleris pursuant to the terms of the Aleris Merger Agreement, the repayment of certain Indebtedness of Aleris and its subsidiaries in connection with the Aleris Acquisition, and the payment of all fees, costs and expenses in connection with the foregoing.

“**Aleris Acquisition Closing Date**” shall mean the date that the Aleris Acquisition is consummated in accordance with the terms of the Aleris Merger Agreement.

“**Aleris Belgium**” shall mean Aleris Aluminum Duffel BVBA (or, if converted or recharacterized prior to the Aleris Acquisition Closing Date, Aleris Aluminum Duffel BV), and including any sales offices thereof.

“**Aleris Casthouse**” shall mean Aleris Casthouse Germany GmbH, a company with limited liability organized under the laws of Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Koblenz with registration number HRB 1064.

“**Aleris Fee Letter**” shall mean the fee letter between Novelis Inc., the Aleris Incremental Term Lenders, and the other parties party thereto, dated as of February 21, 2020.

“**Aleris German GP Holdco**” shall mean Aleris Deutschland Vierte Verwaltungs GmbH.

“**Aleris German Non-Wholly Owned Subsidiaries**” shall mean Aleris Deutschland Vier GmbH & Co. KG, Aleris Rolled Products, Aleris Casthouse and, at any time that it constitutes a Restricted Subsidiary, Aleris German GP Holdco.

“**Aleris Germany**” shall mean Aleris Deutschland Holding GmbH.

“**Aleris Gross-Up Cap**” shall have the meaning assigned to such term in Section 2.15(l)(ii).

“**Aleris Hong Kong**” shall mean Aleris Asia Pacific Limited, a private company with limited liability organized under the laws of Hong Kong.

“**Aleris Increase Joinder Amendment**” shall mean the Increase Joinder Amendment to Credit Agreement, dated as of February 21, 2020, among Novelis Acquisitions, the Borrower, Holdings, the other Loan Parties party thereto, the Third Party Security Provider, the Aleris Incremental Term Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Aleris Incremental Commitment Termination Date**” shall mean the first to occur of (a) 5:00 p.m., New York City time, on May 29, 2020, (b) the Commitment Release Time, (c) delivery to the Administrative Agent of written notice of termination by the Designated Company of all of the Aleris Incremental Term Loan Commitments, (d) the date that the Aleris Merger Agreement is terminated in accordance with its terms, or pursuant to an amendment or modification thereof, in each case prior to the consummation of the Aleris Acquisition, and (e) the consummation of the Aleris Acquisition without the use of any Aleris Incremental Term Loans.

“**Aleris Increase Joinder Effective Date**” shall have the meaning assigned to the term “Amendment Effective Date” in the Aleris Increase Joinder Amendment.

“**Aleris Incremental Escrow Date**” shall have the meaning assigned to such term in the Aleris Increase Joinder Amendment.

“**Aleris Incremental Funding Date**” shall have the meaning assigned to such term in the Aleris Increase Joinder Amendment.

“**Aleris Incremental Hold Level**” shall mean, with respect to each Aleris Incremental Term Lender, the Dollar amount set forth opposite the name of such Aleris Incremental Term Lender on Schedule 1 to the Aleris Increase Joinder Amendment under the heading “Aleris Incremental Hold Level.”

“**Aleris Incremental Maturity Date**” shall mean January 21, 2025.

“**Aleris Incremental Term Lenders**” shall mean (a) each financial institution listed on Schedule 1 to the Aleris Increase Joinder Amendment under the heading “Aleris Incremental Term Lender” and (b) any financial institution that acquires an interest in an Aleris Incremental Term Loan pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to hold any Aleris Incremental Term Loans.

“**Aleris Incremental Term Loans**” shall mean the Term Loans extended by the Aleris Incremental Term Lenders pursuant to the Aleris Incremental Joinder Agreement.

“**Aleris Incremental Term Loan Commitment**” shall mean, with respect to each Aleris Incremental Term Lender, the commitment, if any, of such Lender to make Aleris Incremental Term Loans under the Aleris Increase Joinder Amendment, up to the amount set forth on Schedule 1 to the Aleris Increase Joinder Amendment under the heading “Aleris Incremental Term Loan Commitment.” The aggregate amount of the Aleris Incremental Term Lenders’ Aleris Incremental Term Loan Commitments on the Aleris Increase Joinder Effective Date is \$775,000,000.

“**Aleris Incremental Term Loan Repayment Date**” shall have the meaning assigned to such term in Section 2.09.

“**Aleris Italy**” shall mean Aleris Aluminum Italy Srl, and including any sales offices thereof.

“**Aleris Hedging Collateral Requirements**” shall have the meaning assigned to such term in Section 5.15(e).

“**Aleris Luxembourg**” shall mean Aleris Holding Luxembourg S.à.r.l.

“**Aleris Merger Agreement**” means that certain Agreement and Plan of Merger, dated as of July 26, 2018, among the Borrower, Novelis Acquisitions, Aleris, and OCM Opportunities ALS Holdings, L.P., a Delaware limited partnership, as amended, modified or supplemented, together with any consent or waiver with respect thereto, but only to the extent that such amendment, modification, amendment, consent or waiver is not materially adverse to the Lenders or the Agents in their capacities as such, it being understood that (i) any modification, amendment, consent or waiver to the definition of “Material Adverse Effect” in the Aleris Merger Agreement, or which has the effect of modifying, amending or waiving the representation or condition as to the absence of a Material Adverse Effect (as defined in the Aleris Merger Agreement as of the Second Amendment Effective Date) shall be deemed to be materially adverse to the Lenders and the Agents, (ii) any decrease in the purchase price payable under the Aleris Merger Agreement shall not be deemed to be materially adverse to the Lenders or the Agents, so long as such decrease does not exceed 10% of the consideration contemplated to be paid under the Aleris Merger Agreement as of July 26, 2018, and (iii) any increase in the purchase price contemplated to be paid under the Aleris Merger Agreement shall not be deemed to be materially adverse to the Lenders or the Agents, so long as such increase is funded by

additional common equity contributions to Specified Holders that directly or indirectly own Equity Interests in the Designated Company and its Restricted Subsidiaries immediately prior to such contribution or by cash on hand or borrowings under the Revolving Credit Agreement; provided, that adjustments to working capital and earn-out payments in accordance with the terms of the Aleris Merger Agreement shall not constitute an increase or decrease in purchase price for purposes of this definition.

“**Aleris Rolled Products**” shall mean Aleris Rolled Products Germany GmbH, a company with limited liability organized under the laws of Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Koblenz with registration number HRB 4239.

“**Aleris Syndication Termination Date**” shall mean the earlier to occur of (a) the first date to occur after the Aleris Incremental Funding Date on which the Aleris Incremental Term Lenders each hold Aleris Incremental Term Loans that are, in each case, no greater than their respective Aleris Incremental Hold Levels (excluding any portion of the Aleris Incremental Term Loans that exceed the applicable Aleris Incremental Hold Level of any Aleris Incremental Term Lender if and to the extent that such Aleris Incremental Term Lender elects to retain such portion in its sole discretion) and (b) the date that is 90 days after the Aleris Incremental Funding Date.

“**Alternative Currency**” shall mean each of (x) the lawful currency of Canada, (y) Euros, and (z) the lawful currency of the United Kingdom.

“**Amendment No. 5**” means that certain Amendment No. 5 to Credit Agreement, dated as of December 11, 2020, among the Borrower, the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Amendment No. 5 Effective Date**” means the “Amendment Effective Date” as defined in Amendment No. 5.

“**Amendment No. 6**” means that certain Amendment No. 6 to Credit Agreement, dated as of July 25, 2022, among the Borrower, the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Amendment No. 6 Effective Date**” means the “Amendment Effective Date” as defined in Amendment No. 6.

“Amendment No. 7” means that certain Amendment No. 7 to Credit Agreement, dated as of March 31, 2023, among the Borrower, the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“Amendment No. 7 Effective Date” means the “Amendment Effective Date” as defined in Amendment No. 7.

“**Annual Credit**” shall mean the cumulative amount of (x) \$1,100,000,000 plus (y) \$250,000,000 for each fiscal year of the Designated Company commencing after the Closing Date (beginning with the fiscal year commencing April 1, 2017) minus (z) in each case from and after the Closing Date until the applicable time of determination, (and taking into all transactions being consummated concurrently with the transaction then being measured), (i) the cumulative amount of all Investments made pursuant to Section 6.04(r)(iii), (ii) the cumulative amount of all Dividends made pursuant to Section 6.08(d)(ii) and (iii) the cumulative amount of all payments and redemptions of Indebtedness made pursuant to Section 6.11(a)(i)(z)(2).

“**Anti-Corruption Laws**” shall have the meaning assigned to such term in Section 3.22.

“**Anti-Terrorism Laws**” shall have the meaning assigned to such term in [Section 3.22](#).

“**Applicable Margin**” shall mean (a) in the case of the Initial Term Loans, for any day, 1.85% per annum, (b) in the case of the Aleris Incremental Term Loans, for any day, 1.75% per annum, (c) in the case of the Tranche A-1 Term Loans, for any day, 2.00% per annum, and (d) in the case of Incremental Term Loans (other than the Aleris Incremental Term Loans), the margin specified in the applicable Increase Joinder.

“**Approved Fund**” shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Approved Member State**” shall mean Belgium, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Spain, Sweden and the United Kingdom.

“**Asset Sale**” shall mean (a) any conveyance, sale, lease, sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of any property, excluding sales of Inventory, dispositions of cash and Cash Equivalents and settlements under Hedging Agreements, in each such excluded case, which are in the ordinary course of business, by Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) or any of its Restricted Subsidiaries, or (b) any issuance of any Equity Interests of any Restricted Subsidiary of Holdings.

“**Asset Swap**” shall mean the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between any Company and another person; provided that any cash or Cash Equivalents received must be applied in accordance with [Section 2.10\(c\)](#).

“**Assignee Group**” shall mean two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“**Assignment and Assumption**” shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by [Section 11.04\(b\)](#)), and delivered to the Administrative Agent, in substantially the form of [Exhibit B](#), or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

“**Attributable Indebtedness**” shall mean, when used with respect to any Sale and Leaseback Transaction, as at the time of determination, the present value (discounted at the rate implicit in the lease) of the total obligations of the lessee for rental payments during the remaining term of the lease included in any such Sale and Leaseback Transaction.

“**Auditor’s Determination**” shall have the meaning assigned to such term in [Section 7.11\(b\)](#).

“**AV Metals**” shall mean AV Metals Inc., a corporation formed under the Canada Business Corporations Act. “**AV Minerals**” shall mean AV Minerals (Netherlands) N.V., a company organized under the laws of the Netherlands.

“**Available Amount**” shall have the meaning assigned to such term in [Section 7.12\(a\)](#).

[“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, \(x\) if such Benchmark is a term rate, any tenor for such Benchmark \(or component thereof\) that is or may be used for determining the length of an](#)

interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.17(d).

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Belgian Guarantor" shall mean each Restricted Subsidiary of the Designated Company organized under the laws of Belgium that becomes a Guarantor pursuant to the terms hereof.

"Belgian Hold Separate Business" means the Equity Interests in, and businesses of, Aleris Belgium and Aleris Italy (and certain assets of Aleris (Shanghai) Trading Co. Ltd. that are directly related to the business of Aleris Belgium and/or Aleris Italy) that are subject to the Belgian Purchase Documents.

"Belgian Purchase Documents" shall mean, collectively, (i) (x) that certain Sale & Purchase Agreement, dated November 22, 2019, among Aleris Aluminum Netherlands B.V., a corporation incorporated under the laws of the Netherlands, Novelis Europe Holdings Limited, a company incorporated under the laws of the United Kingdom, and Liberty House Group Pte. Ltd, a company incorporated under the laws of Singapore, pursuant to which Aleris Aluminum Netherlands B.V. and Novelis Europe Holdings Limited agreed to sell or cause its Subsidiaries to sell 100% of the Equity Interests in Aleris Belgium and, indirectly, 100% of the Equity Interests in Aleris Italy, (y) the purchase agreement or agreements to be entered into after the Aleris Acquisition Closing Date pursuant to which Novelis Inc. and/or any of its Subsidiaries will agree to sell or cause its Subsidiaries to sell certain assets of Aleris (Shanghai) Trading Co. Ltd. that are directly related to the business of Aleris Belgium and/or Aleris Italy, and (z) the agreements and documents entered into in connection with the documents described in clauses (x) and (y) above, or (ii) solely to the extent that the sale of the Belgian Hold Separate Business does not occur pursuant to the terms of the documents described in clause (i)(x) above and such documents are terminated, the purchase agreement (and the agreements and documents entered into in connection therewith) negotiated and entered into after the Aleris Acquisition Closing Date by Novelis Inc. and/or any of its Subsidiaries, or the European Commission or any trustee appointed on the European Commission's behalf, on the one hand, and a prospective buyer of Aleris Belgium and Aleris Italy, on the other hand, pursuant to which Novelis Inc. and/or any of its Subsidiaries will agree to sell or cause its Subsidiaries to sell 100% of the Equity Interests in Aleris Belgium and, indirectly, 100% of the Equity Interests in Aleris Italy, and, if applicable, certain assets of Aleris (Shanghai) Trading Co. Ltd. that are directly related to the business of Aleris Belgium and/or Aleris Italy.

“Belgian Security Agreements” shall mean, collectively (i) any Security Agreements, including all subparts thereto, among any Belgian Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Belgian Guarantor or any Person who is the holder of Equity Interests in any Belgian Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Belgium, securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17(a).

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(a) the sum of (i) Daily Simple SOFR and (ii) 0.15%; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Designated Company giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein

and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17 and (b) ending at the time that a Benchmark

[Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17.](#)

“**Beneficially Own**,” “**Beneficial Owner**” and “**Beneficial Ownership**” shall each have the meaning assigned to such term in Rules 13d-3 and 13d-5 under the Exchange Act.

“**Beneficial Ownership Certification**” shall mean a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” shall mean 31 C.F.R. § 1010.230.

“**Blocking Law**” means (a) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom), and (b) with respect to each Lender that qualifies as a resident party domiciled in Germany (*Inländer*) within the meaning of section 2 paragraph 15 of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*), section 7 of the German Foreign Trade and Payment Ordinance (*Außenwirtschaftsverordnung*).

“**Board**” shall mean the Board of Governors of the Federal Reserve System of the United States.

“**Board of Directors**” shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers (or the functional equivalent) of such person, (iii) in the case of any limited partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

“**Borrower**” shall have the meaning assigned to such term in the preamble hereto or, following the Permitted Holdings Amalgamation, Successor Borrower.

“**Borrowing**” shall mean Loans to a Co-Borrower of the same Class and Type, made, converted or continued on the same date and, in the case of ~~Eurodollar Rate~~ [SOFR](#) Loans or Fallback Rate Loans, as applicable, as to which a single Interest Period is in effect.

“**Borrowing Base**” shall mean, as of any date, an amount equal to: (1) 85% of the book value of all accounts receivable owned by the Loan Parties as of the end of the most recent fiscal month for which consolidated financial statements are available; *plus* (2) the lesser of (x) 75% of the book value of inventory owned by the Loan Parties as of the end of the most recent fiscal month for which consolidated financial statements are available and (y) 85% of the “net recovery cost percentage” multiplied by the book value of inventory owned by the Loan Parties as of the end of the most recent fiscal month for which consolidated financial statements are available. Notwithstanding the foregoing, the Borrowing Base shall be adjusted to give *pro forma* effect to any Acquisitions or Asset Sales by the Designated Company and/or any Restricted Subsidiary since the end of the most recent fiscal month for which consolidated financial statements are available, as if such Acquisition or Asset Sale had occurred on the last day of the end of the most recent fiscal month, with such adjustment to be effective upon consummation of any such Acquisition or Asset Sale.

“**Borrowing Request**” shall mean a request by a Co-Borrower in accordance with the terms of [Section 2.03](#) and substantially in the form of [Exhibit C](#), or such other form as shall be approved by the Administrative Agent.

“**Brazilian Guarantor**” shall mean each Restricted Subsidiary of the Designated Company organized in Brazil party hereto as a Guarantor, and each other Restricted Subsidiary

of the Designated Company organized in Brazil that becomes a Guarantor pursuant to the terms hereof.

“Brazilian Security Agreements” shall mean, collectively, (i) any Security Agreements, including all sub-parts thereto, among any Brazilian Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Brazilian Guarantor or any Person who is the holder of Equity Interests in any Brazilian Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Brazil, securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, New York City or London, and, ~~if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day and,~~ solely for purposes of determining whether a day is a day on which a Loan can be advanced, Singapore; provided, that in relation to Loans referencing Adjusted Term SOFR and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing Adjusted Term SOFR or any other dealings of such Loans referencing Adjusted Term SOFR, the term “Business Day” shall mean any such day that is also a U.S. Government Securities Business Day.

“Calculation Date” shall have the meaning assigned to such term in the definition of “Senior Secured Net Leverage Ratio”.

“Canadian Guarantor” shall mean ~~AV Metals Inc.~~ Successor Holdings (solely to the extent that it is organized in Canada), Borrower, and each Restricted Subsidiary of Holdings organized in Canada party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company organized in Canada that becomes a Guarantor pursuant to the terms hereof.

“Canadian Loan Parties” shall mean Borrower and the Canadian Guarantors.

“Canadian Security Agreement” shall mean, collectively (i) the Security Agreements, including all sub-parts thereto, among the Canadian Loan Parties (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, deed of hypothec, debenture, bond, security agreement, guarantee or other agreement that is entered into by any Canadian Loan Party or any Person who is the holder of Equity Interests in any Canadian Loan Party in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Canada (or any province thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“Cancellation” shall mean the cancellation, termination and forgiveness by the applicable Co-Borrowers of all Loans, Commitments and related Obligations acquired in

connection with a Discounted Purchase, which cancellation shall be consummated as described in Section 11.04(b)(iv)(C), and the definition of “Eligible Assignee”.

“**Capital Assets**” shall mean, with respect to any person, all equipment, fixed assets and Real Property or improvements of such person, or replacements or substitutions therefor or additions thereto, that, in accordance with US GAAP, have been or should be reflected as additions to property, plant or equipment on the balance sheet of such person.

“**Capital Expenditures**” shall mean, for any period, without duplication, all expenditures made directly or indirectly by the Designated Company and its Restricted Subsidiaries during such period for Capital Assets (whether paid in cash or other consideration, financed by the incurrence of Indebtedness or accrued as a liability), together with the applicable Company’s proportionate share of such amounts for Norf GmbH for such period.

“**Capital Lease Obligations**” of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under US GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with US GAAP. It is understood that with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting on the definitions and covenants herein, US GAAP as in effect on the Closing Date shall be applied.

“**Captive Insurance Cell**” means a cell of an insurance company that insures or reinsures risks related solely to the business and/or properties of the Companies.

“**Cash Equivalents**” shall mean, as to any person, (a) securities issued or fully guaranteed or insured by the federal government of the United States, Canada, Switzerland, any Approved Member State or any agency of the foregoing, (b) marketable direct obligations issued by Canada or any province thereof, any state of the United States or the District of Columbia or any political subdivision, government-sponsored entity or instrumentality thereof that, at the time of the acquisition, are rated at least “A-2” by S&P, “P-2” by Moody’s or in the “R-2” category by the Dominion Bond Rating Service Limited, (c) certificates of deposit, ~~Eurocurrency~~ eurocurrency time deposits, overnight bank deposits and bankers’ acceptances of any commercial bank or trust company organized under the laws of Canada or any province thereof, the United States, any state thereof, the District of Columbia, any non-U.S. bank, or its branches or agencies (fully protected against currency fluctuations) that, at the time of acquisition, is rated at least “A-2” by S&P, “P-2” by Moody’s or in the “R-2” category by the Dominion Bond Rating Service Limited, (d) commercial paper of an issuer rated at least “A-2” by S&P, “P-2” by Moody’s or in the “R-2” category by the Dominion Bond Rating Service Limited, and (e) shares of any money market fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (a), (b) and (c) above, (ii) has net assets, the Dollar Equivalent of which exceeds \$500,000,000 and (iii) is rated at least “A-2” by S&P, “P-2” by Moody’s or in the “R-2” category by the Dominion Bond Rating Service Limited; provided, however, that the maturities of all obligations of the type specified in clauses (a), (b) and (c) above shall not exceed 365 days; provided, further, that, to the extent any cash is generated through operations in a jurisdiction outside of the United States, Canada, Switzerland or an Approved Member State, such cash may be retained and invested in obligations of the type described in clause (a), (c) or (d) applicable to such jurisdiction to the extent that such obligations are customarily used in such other jurisdiction for short term cash management purposes.

“**Cash Interest Expense**” shall mean, for any period, Consolidated Interest Expense for such period, less the sum of (a) interest on any debt paid by the increase in the principal amount

of such debt including by issuance of additional debt of such kind, (b) items described in clause (c) of the definition of “Consolidated Interest Expense” and (c) gross interest income of the Designated Company and its Restricted Subsidiaries for such period.

“**Cash Pooling Arrangements**” shall mean (i) the DB Cash Pooling Arrangement and the Novelis AG Cash Pooling Agreement and (ii) any other cash pooling arrangements (including all documentation pertaining thereto) entered into by any Company in accordance with Section 6.07.

“**Casualty Event**” shall mean any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any expropriation, condemnation or other taking (including by any Governmental Authority) of, any property of Holdings, the Designated Company or any of its Restricted Subsidiaries, or, on and after the Specified AV Minerals Joinder Date, AV Minerals. “Casualty Event” shall include but not be limited to any taking of all or any part of any Real Property of any person or any part thereof, in or by expropriation, condemnation or other eminent domain proceedings pursuant to any Requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any person or any part thereof by any Governmental Authority, civil or military, or any settlement in lieu thereof.

“**CERCLA**” shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* and all implementing regulations.

A “**Change in Control**” shall be deemed to have occurred if:

(a) (i) prior to the Designated Holdco Effective Date, Hindalco ceases to be the Beneficial Owner of Voting Stock representing more than 50% of the voting power of the total outstanding Voting Stock of AV Minerals and Holdings, (ii) on and after the Designated Holdco Effective Date, Hindalco ceases to be the Beneficial Owner of Voting Stock representing more than 50% of the voting power of the total outstanding Voting Stock of each of AV Minerals, Holdings and Designated Holdco, or (iii) on and after the Designated Holdco Effective Date, Holdings ceases to be the Beneficial Owner of Voting Stock representing 100% of the voting power of the total outstanding Voting Stock of Designated Holdco;

(b) Holdings (or, on and after the Designated Holdco Effective Date, Designated Holdco) at any time ceases to be the Beneficial Owner and the direct record owner of 100% of the Equity Interests of Borrower, except as a result of a Qualified Borrower IPO; provided that Hindalco continues to be the Beneficial Owner of Voting Stock representing more than 50% of the voting power of the total outstanding Voting Stock of Borrower at all times after giving effect to such Qualified Borrower IPO; and provided, further, that a Permitted Holdings Amalgamation shall not constitute a Change in Control;

(c) the Designated Company at any time ceases to be the Beneficial Owner and the direct or indirect owner of 100% of the Equity Interests of each of Novelis Corporation, Novelis Deutschland GmbH (except to the extent otherwise permitted under clause (c) of the definition of Permitted Reorganization Action or under clause (b) of the definition of Permitted Aleris Foreign Subsidiary Transfer) and each Co-Borrower (other than the Borrower prior to the Designated Holdco Effective Date, and the Designated Company on and after the Designated Holdco Effective Date);

(d) at any time a change in control (or change of control or similar event) with respect to any Co-Borrower or the U.S. Issuer occurs under (and as defined in) any Material Indebtedness of any Loan Party; or

(e) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Holdings, any Co-Borrower or, on and after the Designated Holdco Effective Date, Designated Holdco, or, on and after the Specified AV Minerals Joinder Date, AV Minerals (together with any new directors whose election to such Board of Directors or whose nomination for election was approved by the Specified Holders or by a vote of at least a majority of the members of the Board of Directors of such Person, as the case may be, which members comprising such majority are then still in office and were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of such Person.

For purposes of this definition, a person shall not be deemed to have Beneficial Ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

“Change in Law” shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking into effect of any law, treaty, order, policy, rule or regulation, (b) any change in any law, treaty, order, policy, rule or regulation or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, however, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith, (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, and (z) the implementation or compliance with, CRD IV or CRR, or any law or regulation that implements or applies CRD IV or CRR, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Chattel Paper” shall mean all “chattel paper,” as such term is defined in the UCC, in which any Person now or hereafter has rights.

“Chief Executive Office” shall mean, with respect to any Person, the location from which such Person manages the main part of its business operations or other affairs.

“Chinese Subsidiary Equity Interests” shall mean all Equity Interests of each Person organized under the laws of the People’s Republic of China that is a Subsidiary of a Loan Party, in each case that is owned by a Loan Party.

“Class” shall mean (a) when used with respect to Commitments, whether such Commitments are Term Loan Commitments, Incremental Term Loan Commitments or Other Term Loan Commitments, as the context may require, and (b) when used with respect to Loans or a Borrowing, whether such Loans, or the Loans comprising such Borrowing, are Term Loans, Incremental Term Loans or Other Term Loans. Other Term Loan Commitments, Other Term Loans and Incremental Term Loans made pursuant to any Increase Joinder that have different terms and conditions than the Other Term Loans or Incremental Term Loans shall be construed to be in different Classes.

“Closing Date” shall mean the date, on or prior to the Agreement Termination Date, on which the conditions precedent set forth in Section 4.02 and Section 4.03 are satisfied (or waived in accordance with Section 11.02) and the initial Term Loans are advanced.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

“Co-Borrowers” shall mean (a) the Borrower (including in the case of Tranche A-1 Term Loans and Tranche A-1 Term Commitments), (b) solely in the case of Aleris Incremental Term Loans and Aleris Incremental Term Loan Commitments, Novelis Acquisitions (and, immediately after giving effect to the merger of Novelis Acquisitions with and into Aleris in connection with the Aleris Acquisition, Aleris) and (c) solely in the case of any other Incremental Term Loans and Incremental Term Loan Commitments of any Class, to the extent designated as a Co-Borrower pursuant to the Increase Joinder in respect of such Class, the Borrower or Novelis Acquisitions (and, immediately after giving effect to the merger of Novelis Acquisitions with and into Aleris in connection with the Aleris Acquisition, Aleris).

“Collateral” shall mean, all of the “Collateral”, “Pledged Collateral”, “Secured Assets” and “Mortgaged Property” referred to in the Security Documents and all of the other property that is or is intended under the terms of the Security Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties.

“Collateral Agent” shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to Article X.

“Commitment” shall mean, with respect to any Lender, such Lender’s Term Loan Commitment, including any Incremental Term Loan Commitment and any Other Term Loan Commitment, as the context requires.

“Commodity Exchange Act” shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Companies” shall mean Holdings, the Designated Company, Holdings’ Restricted Subsidiaries and, after the Specified AV Minerals Joinder Date if Holdings is not AV Minerals, AV Minerals; and **“Company”** shall mean any one of them.

“Compensation Plan” shall mean any program, plan or similar arrangement (other than employment contracts for a single individual) relating generally to compensation, pension, employment or similar arrangements with respect to which any Company, any Affiliate of any Company or any ERISA Affiliate of any of them has any obligation or liability, contingent or otherwise, under any Requirement of Law other than that of the United States.

“Compliance Certificate” shall mean a certificate of a Financial Officer substantially in the form of Exhibit D.

“Confidential Information Memorandum” shall mean that certain confidential information memorandum of Novelis Inc., dated January 6, 2017.

“Conforming Changes” means, with respect to either the use or administration of Adjusted Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Fallback Rate,” the definition of “Reference Bank Rate”, the definition of “Cost of Funds”, the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the

addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.13 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Consolidated Amortization Expense**” shall mean, for any period, the amortization expense of the Designated Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with US GAAP.

“**Consolidated Current Assets**” shall mean, as at any date of determination, the total assets of the Designated Company and its Restricted Subsidiaries which may properly be classified as current assets on a consolidated balance sheet of the Designated Company and its Restricted Subsidiaries in accordance with GAAP, excluding cash and Cash Equivalents.

“**Consolidated Current Liabilities**” shall mean, as at any date of determination, the total liabilities of the Designated Company and its Restricted Subsidiaries which may properly be classified as current liabilities (other than the current portion of any Loans) on a consolidated balance sheet of the Designated Company and its Restricted Subsidiaries in accordance with US GAAP, but excluding (a) the current portion of any Funded Debt of the Designated Company and its Restricted Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Revolving Credit Loans to the extent otherwise included therein.

“**Consolidated Depreciation Expense**” shall mean, for any period, the depreciation expense of the Designated Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with US GAAP.

“**Consolidated EBITDA**” shall mean, for any period, the sum of (A) Consolidated Net Income for such period, adjusted by (without duplication):

(x) adding thereto, in each case only to the extent (and in the same proportion) deducted in determining such Consolidated Net Income and without duplication:

- (a) Consolidated Interest Expense for such period;
- (b) Consolidated Amortization Expense for such period;
- (c) Consolidated Depreciation Expense for such period;
- (d) Consolidated Tax Expense for such period;

(e) non-recurring items or unusual charges or expenses, severance, relocation costs or expenses, other business optimization expenses (including costs and expenses relating to business optimization programs), new systems design and implementation costs, project start-up costs, restructuring charges or reserves, costs related to the closure and/or consolidation of facilities and one-time costs associated with a Qualified IPO or Qualified Borrower IPO;

(f) to the extent covered by insurance and actually reimbursed or, so long as the Designated Company has made a good faith determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (x) not denied by the applicable carrier in writing within 180 days and (y) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to Casualty Events or business interruption;

(g) the aggregate amount of all other non-cash charges reducing Consolidated Net Income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in any future period) for such period;

(h) the amount of net income (loss) attributable to non-controlling interests deducted (and not added back) in computing Consolidated Net Income; and

(i) Management Fees paid in compliance with Section 6.08(c);

(y) subtracting therefrom, (a) the aggregate amount of all non-cash items increasing Consolidated Net Income (other than the accrual of revenue or recording of receivables in the ordinary course of business) for such period and (b) interest income; and

(z) excluding therefrom,

(a) [intentionally omitted];

(b) earnings or losses resulting from any reappraisal, revaluation or write-up or write-down of assets;

(c) non-recurring or unusual gains; and

(d) any gain or loss relating to cancellation or extinguishment of Indebtedness; plus

(B) the proportionate interest of the Designated Company and its consolidated Restricted Subsidiaries in Non-consolidated Affiliate EBITDA for such period; plus

(C) for purposes of determining compliance with the Financial Performance Covenant only (solely for the purposes of Section 6.14 and not for determining whether any action predicated on being in compliance with the Financial Performance Covenant is permitted), Specified Equity Contributions made pursuant to Section 8.04 to cure failure to comply with the Financial Performance Covenant for a fiscal quarter in such period; plus

(D) the annualized amount of net cost savings, operating expense reductions and synergies reasonably projected by the Designated Company in good faith to be realized as a result of specified actions (x) taken since the beginning of the Test Period in respect of which Consolidated EBITDA is being determined or (y) initiated prior to or during the Test Period (in each case, which cost savings shall be added to Consolidated EBITDA until fully realized, but in no event for more than four fiscal quarters) (calculated on a pro forma basis as though such annualized cost savings, operating expense reductions and synergies had been realized on the first day of such Test Period, net of the amount of actual benefits realized during such Test Period from such actions); provided that (1) such cost savings, operating expense reductions and synergies are reasonably identifiable, quantifiable and factually supportable in the good faith judgment of the Designated Company, and (2) no cost savings, operating expense reductions and

synergies shall be added pursuant to this clause (C) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such Test Period; provided that the aggregate amount added to Consolidated EBITDA pursuant to this clause (C) shall not exceed in the aggregate 15% of Consolidated EBITDA for any one Test Period; provided, further that projected (and not yet realized) amounts may no longer be added in calculating Consolidated EBITDA pursuant to this clause (C) to the extent occurring more than four full fiscal quarters after the specified action taken or initiated in order to realize such projected cost savings, operating expense reductions and synergies.

Notwithstanding the foregoing clause (x), the provision for taxes and the depreciation, amortization and non-cash items of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income.

Consolidated EBITDA shall not include the Consolidated EBITDA of any Non-consolidated Affiliate if such Non-consolidated Affiliate is subject to a prohibition, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to the Designated Company or any Co-Borrower, to the extent of such prohibition.

“Consolidated Interest Coverage Ratio” shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

“Consolidated Interest Expense” shall mean, for any period, the total consolidated interest expense of the Designated Company and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with US GAAP plus, without duplication:

- (a) imputed interest on Capital Lease Obligations and Attributable Indebtedness of the Designated Company and its Restricted Subsidiaries for such period;
- (b) commissions, discounts and other fees and charges owed by the Designated Company or any of its Restricted Subsidiaries with respect to letters of credit securing financial obligations, bankers’ acceptance financing and receivables financings for such period;
- (c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by the Designated Company or any of its Restricted Subsidiaries for such period;
- (d) all interest paid or payable with respect to discontinued operations of the Designated Company or any of its Restricted Subsidiaries for such period; and
- (e) the interest portion of any deferred payment obligations of the Designated Company or any of its Restricted Subsidiaries for such period.

“Consolidated Net Income” shall mean, for any period, the consolidated net income (or loss) of the Designated Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with US GAAP; provided, however, that the following shall be excluded in the calculation of “Consolidated Net Income”:

- (a) any net income (loss) of any person (other than the Designated Company) if such person is not a Restricted Subsidiary of the Designated Company, except that:

(i) subject to the exclusion contained in clause (c) below, equity of the Designated Company and its consolidated Restricted Subsidiaries in the net income of any such person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such person during such period to the Designated Company or to a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (b), below); and

(ii) the equity of the Designated Company and its consolidated Restricted Subsidiaries in a net loss of any such person other than an Unrestricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(b) any net income (loss) of any Restricted Subsidiary of the Designated Company if such Restricted Subsidiary is subject to a prohibition, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to the Designated Company or any Co-Borrower, to the extent of such prohibition, except that:

(i) subject to the exclusion contained in clause (c) below, equity of the Designated Company and its consolidated Restricted Subsidiaries in the net income of any such person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Restricted Subsidiary during such period to the Designated Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in this clause (b)); and

(ii) the equity of the Designated Company and its consolidated Restricted Subsidiaries in a net loss of any such person other than an Unrestricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(c) any gain or loss realized upon the sale or other disposition of any property of the Designated Company or Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business (provided that sales or other dispositions of assets in connection with any Qualified Securitization Transaction permitted hereunder shall be deemed to be in the ordinary course);

(d) any extraordinary gain or loss;

(e) the cumulative effect of a change in accounting principles;

(f) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees of the Designated Company or any Restricted Subsidiary; provided that such shares, options or other rights can be redeemed at the option of the holders only for Qualified Capital Stock of the Designated Company or Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals);

(g) any unrealized gain or loss resulting in such period from Hedging Obligations (other than any unrealized gains or losses resulting from foreign currency re-measurement hedging activities);

(h) any expenses or charges in such period related to the Transactions, any premiums, fees, discounts, expenses and losses payable by any Loan Party in such period in connection with any redemption or tender offer of Indebtedness permitted hereunder, and any acquisition, disposition, recapitalization or the incurrence of any Indebtedness permitted hereunder, including such fees, expenses or charges related to the Transactions; and

(i) the effects of adjustments in the property, plant and equipment, inventories, goodwill, intangible assets and debt line items in the Designated Company's consolidated financial statements pursuant to US GAAP resulting from the application of purchase accounting in relation to any acquisition or the amortization or write-off of any amounts thereof, net of taxes.

Notwithstanding the foregoing, for purposes of the calculation of Cumulative Credit only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of property from Unrestricted Subsidiaries to the Designated Company or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Cumulative Credit pursuant to clause (d) of the definition of Cumulative Credit.

"Consolidated Net Tangible Assets" shall mean, as of any date of determination, the sum of the amounts that would appear on a consolidated balance sheet of the Designated Company and its Restricted Subsidiaries as the total assets (less accumulated depreciation and amortization, allowances for doubtful receivables, other applicable reserves and other properly deductible items) of the Designated Company and its Restricted Subsidiaries, after giving effect to purchase accounting and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of (without duplication):

- (a) the excess of cost over fair market value of assets or businesses acquired;
- (b) any revaluation or other write-up in book value of assets subsequent to March 31, 2016 as a result of a change in the method of valuation in accordance with US GAAP;
- (c) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items;
- (d) minority interests in consolidated Subsidiaries held by Persons other than the Designated Company or any Restricted Subsidiary of the Designated Company;
- (e) treasury stock;
- (f) cash or securities set aside and held in a sinking or other analogous fund established for the purpose of redemption or other retirement of Equity Interests to the extent such obligation is not reflected in Consolidated Current Liabilities; and
- (g) Investments in and assets of Unrestricted Subsidiaries.

“Consolidated Tax Expense” shall mean, for any period, the tax expense of the Designated Company and its Restricted Subsidiaries, for such period determined on a consolidated basis in accordance with US GAAP.

“Consolidated Total Assets” shall mean at any date of determination, the total assets of the Designated Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with US GAAP.

“Consolidated Total Net Debt” shall mean, as of any date of determination and without duplication, the sum of (A) the aggregate principal amount of Indebtedness of the Designated Company and its Restricted Subsidiaries outstanding on such date of the type referenced in clauses (a), (b) and (f) of the definition of Indebtedness, and any Contingent Obligations of the Designated Company and its Restricted Subsidiaries in respect of Indebtedness of any Person under clauses (a), (b) and (f) of the definition of Indebtedness, minus the aggregate amount of Unrestricted Cash on such date, plus (B) the proportionate interest of the Designated Company and its consolidated Restricted Subsidiaries in the Non-consolidated Affiliate Debt of each of the Non-consolidated Affiliates at any date of determination. The aggregate principal amount of such Indebtedness shall be determined according to the face or principal amount thereof, based on the amount owing under the applicable contractual obligation (without regard to any election by the Designated Company, Holdings (or, and, on and after the Specified AV Minerals Joinder Date, AV Minerals) or any other Person) to measure an item of Indebtedness using fair value or any other discount that may be applicable under GAAP (including the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities) on a consolidated basis with respect to the Designated Company and its Restricted Subsidiaries in accordance with consolidation principles utilized in GAAP.

“Contingent Obligation” shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations (**“primary obligations”**) of any other person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) under any guaranty, endorsement, co-making or sale with recourse of any obligation of a primary obligor, (b) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (c) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (d) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (e) with respect to bankers’ acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (f) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term **“Contingent Obligation”** shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

“Contribution, Intercompany, Contracting and Offset Agreement” shall mean that certain Contribution, Intercompany, Contracting and Offset Agreement dated as of the Closing

Date by and among the Loan Parties (other than certain Foreign Subsidiaries), the Collateral Agent and the Administrative Agent.

“**Contribution Notice**” shall mean a contribution notice issued by the Pensions Regulator under Section 38 or Section 47 of the Pensions Act 2004.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “**Controlling**” and “**Controlled**” shall have meanings correlative thereto.

“**Control Agreement**” shall mean, with respect to a Deposit Account, Securities Account, or Commodity Account (each as defined in the UCC), (i) located in the United States, an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s “control” (within the meaning of the UCC) in such account, or (ii) located in other jurisdictions, agreements with regard to such accounts establishing and perfecting the First Priority Lien of the Collateral Agent in such accounts, and otherwise in form and substance reasonably satisfactory to the Collateral Agent.

“**Cost of Funds**” shall mean the rate of interest on each Lender’s share of the relevant Borrowing for the relevant Interest Period, which shall be the percentage rate per annum which is the sum of the weighted average of the rates notified to the Administrative Agent by each Lender as soon as practicable and in any event within two Business Days of the first day of that Interest Period (or, if earlier, on the date falling two Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in that Loan from whatever source it may reasonably select; provided, that if a Lender’s Funding Rate is less than the ~~Eurodollar Rate~~then-current Benchmark (if available) or a Lender does not supply a quotation by the time specified in this definition, the cost to that Lender of funding its participation in that Borrowing for that Interest Period shall be deemed, for the purposes of this definition, to be the ~~Eurodollar Rate~~then-current Benchmark (if available); provided, further, that if any Lender does not supply a quotation by the time specified in this definition, the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders; provided, further, that if the Cost of Funds shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“**Covered Aleris Lender**” shall have the meaning assigned to such term in the definition of “Covered Aleris Syndication Taxes”.

“**Covered Aleris Loan**” shall have the meaning assigned to such term in the definition of “Covered Aleris Syndication Taxes”.

“**Covered Aleris Payment Date**” shall mean any Interest Payment Date and any other date on which interest on the Aleris Incremental Term Loans is paid.

“**Covered Aleris Syndication Taxes**” means, in the case of a Lender (other than a Lender that was an Aleris Incremental Term Lender on the Aleris Incremental Funding Date or an Affiliate of such Lender) that acquires an interest in the Aleris Incremental Term Loans pursuant to an Assignment and Assumption between the Aleris Incremental Funding Date and the Aleris Syndication Termination Date (the “**Aleris Syndication Period**”), and any initial or subsequent assignee Lender of all or a portion of such interest (collectively, such Lender and such assignee Lender(s), a “**Covered Aleris Lender**”), any U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Covered Aleris Lender with respect to such Lender’s interest in the Aleris Incremental Term Loans acquired by a Covered Aleris

Lender during the Aleris Syndication Period and, solely for any Covered Aleris Payment Date occurring after the Aleris Syndication Termination Date, held as of the end of the Aleris Syndication Period (or acquired subsequent to the Aleris Syndication Period pursuant to an assignment from a Covered Aleris Lender) (such interest in an Aleris Incremental Term Loan, a **“Covered Aleris Loan”**); provided that Covered Aleris Syndication Taxes shall not include (i) Excluded Taxes or (ii) Taxes for which the Lenders are indemnified by the Co-Borrowers hereunder without regard to the indemnification for Covered Aleris Syndication Taxes. For the avoidance of doubt, Covered Aleris Syndication Taxes shall not include any U.S. federal withholding Taxes imposed on amounts payable to or for the account of a Covered Aleris Lender with respect to an interest in Aleris Incremental Term Loans (or Aleris Incremental Term Loan Commitments in respect thereof) pursuant to a change in law after the date on which such Lender acquires an interest in such Loan or Commitment, or U.S. federal withholding Taxes that, pursuant to Section 2.15, were payable to such Lender’s assignor immediately before such Lender became a party hereto.

“CRD IV” means Directive 2013/36/EU of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC.

“Credit Agreement Refinancing Indebtedness” shall mean (a) Permitted First Priority Refinancing Debt, (b) Permitted Second Priority Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) Indebtedness incurred pursuant to a Refinancing Amendment, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace or refinance, in whole or part, existing Term Loans (including any successive Credit Agreement Refinancing Indebtedness) (**“Refinanced Debt”**); provided that (i) such extending, renewing or refinancing Indebtedness is in an original aggregate principal amount not greater than the aggregate principal amount of the Refinanced Debt (except for unpaid accrued interest and premium thereon and any make-whole payments applicable thereto), (ii) such Indebtedness has a final maturity date no earlier than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Refinanced Debt and (iii) such Refinanced Debt shall be repaid, defeased or satisfied and discharged, and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained.

“Credit Extension” shall mean the making of a Loan by a Lender.

“CRR” shall mean Regulation (EU) no. 575/2013 of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) no. 648/2012.

“Cumulative Credit” shall mean, at any date, an amount equal to:

(a) \$328,000,000; plus

(b) 50% of the aggregate Consolidated Net Income accrued during the period commencing on October 1, 2016 to and including the last day of the fiscal quarter most recently ended for which the Designated Company has delivered to the Administrative Agent the financial statements required to be delivered by Section 5.01(a) or Section 5.01(b), taken as a single accounting period (or, in the event Consolidated Net Income for such period is a deficit, minus 100% of such deficit); plus

(c) 100% of the Net Cash Proceeds received by, (w) prior to the Designated Holdco Effective Date, Holdings from the issuance of Qualified Capital Stock of Holdings or as a capital

contribution to Holdings after the Closing Date to the extent that such Net Cash Proceeds are immediately contributed by Holdings to the Designated Company following such sale or contribution to Holdings (including the Net Cash Proceeds of a Qualified IPO), (x) on and after the Designated Holdco Effective Date, from the issuance of Qualified Capital Stock of Designated Holdco or as a capital contribution to Designated Holdco (including the Net Cash Proceeds of a Qualified IPO), (y) Borrower from the issuance of Qualified Capital Stock of the Borrower in a Qualified Borrower IPO and (z) Borrower from the issuance of Qualified Capital Stock of Borrower after a Qualified Borrower IPO; provided that, in each case, no issuances to or contributions from a Restricted Subsidiary shall be counted for the purposes of this clause (c); plus

(d) the aggregate net cash proceeds received by the Designated Company or any Restricted Subsidiary from the issuance or sale after the Closing Date of convertible or exchangeable Indebtedness that has been converted into or exchanged for Qualified Capital Stock of Holdings (prior to the Designated Holdco Effective Date), Designated Holdco (on and after the Designated Holdco Effective Date) or of the Borrower after a Qualified Borrower IPO, excluding:

(i) any such Indebtedness issued or sold to any Loan Party or a Subsidiary of any Loan Party or an employee stock ownership plan or trust established by any Loan Party or any such Subsidiary for the benefit of their employees, and

(ii) the aggregate amount of any cash or other property distributed by Holdings, the Designated Company or any Restricted Subsidiary upon any such conversion or exchange; plus

(e) the net reduction in Investments made in reliance on the Cumulative Credit pursuant to Section 6.04(r)(ii) in any person other than the Designated Company or an Unrestricted Grantor resulting from cash dividends, repayments of loans or advances or other transfers of property (valued at fair market value), in each case to the Designated Company or any Unrestricted Grantor; provided that the foregoing amount shall not exceed, in the case of any person, the amount of Investments made after the Closing Date by the Designated Company or any Unrestricted Grantor in such person in reliance on the Cumulative Credit pursuant to Section 6.04(r)(ii); plus

(f) the aggregate amount of prepayments refused by Lenders pursuant to Section 2.10(g)(iii); plus

(g) upon the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary pursuant to Section 5.16, the lesser of (i) the fair market value of the net assets of such Unrestricted Subsidiary at the time of redesignation and (ii) the aggregate amount of Investments made by the Designated Company or any of its Restricted Subsidiaries in reliance on the Cumulative Credit pursuant to Section 6.04(r)(ii) in such Unrestricted Subsidiary after the Closing Date and prior to such redesignation; minus

(h) in each case from and after the Closing Date, (x) the cumulative amount of all Investments made pursuant to Section 6.04(r)(ii), (y) the cumulative amount of all Dividends made pursuant to Section 6.08(c), Section 6.08(d)(i), Section 6.08(i), and Section 6.08(j) and (z) the cumulative amount of all payments and redemptions of Indebtedness made pursuant to Section 6.11(a)(i)(z)(1); minus

(i) if, at such date of determination, the Total Net Leverage Ratio determined on a Pro Forma Basis as of the last day of the most recently ended fiscal quarter for which the Designated Company has delivered to the Administrative Agent the financial statements required

to be delivered by Section 4.01(e), Section 5.01(a) or Section 5.01(b) would be greater than or equal to 3.5 to 1.0, the cumulative amount of Recapture Amounts paid since the Closing Date.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“DB Cash Pooling Arrangements” shall mean the cash pooling arrangements among the Borrower, certain other Loan Parties and Deutsche Bank pursuant to the Transaction Banking Services Agreement among such parties and any documents ancillary thereto.

“Debt Issuance” shall mean the incurrence by Holdings, the Designated Company or any of its Restricted Subsidiaries (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) of any Indebtedness after the Closing Date (other than as permitted by Section 6.01).

“Debt Service” shall mean, for any period, Cash Interest Expense for such period plus scheduled principal amortization of all Indebtedness paid in such period.

“Debtor Relief Laws” shall mean the Bankruptcy Code of the United States, the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, rearrangement, readjustment, composition, liquidation, receivership, insolvency, reorganization, examination or similar debtor relief or debt adjustment laws (including any applicable corporate statute) of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” shall mean an Event of Default or an event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

“Default Rate” shall have the meaning assigned to such term in Section 2.06(c).

“Defaulting Lender” shall mean, subject to Section 2.18(b), any Lender that, as determined by the Administrative Agent, (a) has failed to perform any of its funding obligations hereunder within three Business Days of the date required to be funded by it hereunder, absent a good faith dispute with respect to such obligation, (b) has notified the Designated Company or the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder or generally under other agreements in which it commits to extend credit, absent a good faith dispute with respect to such obligation, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm in writing to the Administrative Agent that it will comply with its funding obligations hereunder (provided that such Lender shall cease to be Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent), or (d) has, or has a direct or indirect parent company that has, other than pursuant to an Undisclosed Administration, (i) become the subject of any proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, examiner or assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment, or (iv) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by

virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority.

“**Delegate**” shall mean any delegate, agent, attorney, trustee or co-trustee appointed by the Collateral Agent or any Receiver.

“**Designated Belgian Escrow Account**” shall mean a deposit account or securities account of Novelis Inc. or in the name of Novelis Inc. into which solely the Designated Belgian Escrow Funds shall be deposited by Novelis Inc., which account shall be subject to the Designated Belgian Escrow Agreement.

“**Designated Belgian Escrow Agreement**” shall mean that certain Escrow Agreement for the Administration of Third-Party Funds, to be dated on or before the Aleris Acquisition Closing Date, among Novelis Inc., Aleris Belgium, and a financial institution, as escrow agent, in form and substance reasonably satisfactory to the Administrative Agent, in respect of the Designated Belgian Escrow Account and governing the Designated Belgian Escrow Funds.

“**Designated Belgian Escrow Funds**” shall mean cash or Cash Equivalents in an aggregate amount of up to €75,000,000 deposited into the Designated Belgian Escrow Account, which amounts shall be used solely for the purpose of funding capital expenditures of Aleris Belgium pursuant to the Designated Belgian Escrow Agreement.

“**Designated Company**” shall mean the Borrower or, on and after the Designated Holdco Effective Date, Designated Holdco.

“**Designated Holdco**” shall mean, on and after the Designated Holdco Effective Date, U.K. Holdco.

“**Designated Holdco Effective Date**” shall mean the date that (a) the actions described in clause (b) of the definition of Permitted Reorganization Actions are satisfied, and (b) the terms and conditions contained in the definitions of Permitted Reorganization and Permitted Reorganization Actions are satisfied in respect of the actions described in clause (a) above, and in respect of all Permitted Reorganization Actions commenced prior to the actions described in clause (a) above.

“**Discount Participation Notice**” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“**Discounted Purchase**” shall mean, commencing with the date that is three months after the Syndication Termination Date, one or more purchases by a Co-Borrower (each, a “**Purchase**”) of Term Loans originally made to such Co-Borrower in accordance with the provisions of Section 11.04(b)(v); provided that, each such Purchase is made on the following basis:

(a) Such Co-Borrower will notify the Administrative Agent in writing (a “**Purchase Notice**”) (and the Administrative Agent will deliver such Purchase Notice to each relevant Lender) that such Co-Borrower wishes to make an offer to purchase (i) from each Lender on a pro rata basis with respect to any Class of Term Loans on an individual tranche basis, Term Loans originally made to such Co-Borrower, in an aggregate principal amount as is specified by such Co-Borrower (the “**Term Loan Purchase Amount**”) with respect to each applicable tranche, subject to a discount to par expressed as a price at which such Co-Borrower would consummate the Purchase (the “**Offer Price**”) of such Term Loans to be purchased (it being understood that different Offer Prices and/or Term Loan Purchase Amounts may be offered with respect to

different Classes of such Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section); provided that the Purchase Notice shall specify that each Discount Participation Notice (as defined below) must be submitted by a date and time to be specified in the Purchase Notice, which date shall be no earlier than the tenth Business Day following the date of the Purchase Notice and no later than the twentieth Business Day following the date of the Purchase Notice; (ii) at the time of delivery of the Purchase Notice to the Administrative Agent, no Default shall have occurred and be continuing or would result therefrom (which condition shall be certified as being satisfied in such Purchase Notice) and (iii) the Term Loan Purchase Amount specified in each Purchase Notice delivered by such Co-Borrower to the Administrative Agent shall not be less than \$25,000,000 in the aggregate;

(b) Such Co-Borrower will allow each Lender holding the Class of Term Loans subject to the Purchase Notice to submit a notice of participation (each, a “**Discount Participation Notice**”) which shall specify (i) an acceptance of such Offer Price, and (ii) the principal amount of such Lender’s Class of Term Loans at which such Lender is willing to permit a purchase of all or a portion of its Term Loans made to such Co-Borrower to occur at each such Acceptable Price (the “**Reply Amount**”); provided that each Lender may elect to accept or reject such offer in its sole discretion;

(c) In the event that the aggregate Reply Amounts relating to such Purchase Notice are insufficient to allow such Co-Borrower to complete a purchase of the entire Term Loan Purchase Amount, such Co-Borrower may, at its election, either (x) withdraw the Purchase Notice and terminate the Purchase or (y) subject to clause (e) below, complete the Purchase for the aggregate Reply Amounts at the Offer Price for the Purchase subject to the Purchase Notice;

(d) In the event that the aggregate Reply Amounts relating to such Purchase Notice are not less than the Term Loan Purchase Amount, such Co-Borrower shall purchase Term Loans originally made to such Co-Borrower from each Lender with one or more Discount Participation Notices at the Offer Price, in an aggregate principal amount equal to (x) the Term Loan Purchase Amount or (y) such greater amount, not to exceed the aggregate Reply Amounts relating to such Purchase Notice, as such Co-Borrower elects in its discretion (such Term Loans, as applicable, being referred to as “**Qualifying Loans**” and such Lenders being referred to as “**Qualifying Lenders**”), in the case of clauses (x) and (y), subject to clauses (e), (f) and (g) below; provided that if the aggregate principal amount required to purchase the Qualifying Loans would exceed the Term Loan Purchase Amount, such Co-Borrower shall purchase Qualifying Loans ratably based on the aggregate principal amounts of all such Qualifying Loans tendered by each such Qualifying Lender;

(e) subject to Section 2.13, the Purchase shall be consummated pursuant to and in accordance with Section 11.04 and, to the extent not otherwise provided herein, shall otherwise be consummated pursuant to procedures (including as to timing, rounding and minimum amounts, Interest Periods, and other notices by such Co-Borrower) mutually acceptable to the Administrative Agent and such Co-Borrower (provided that such Purchase shall be required to be consummated no later than five Business Days after the time that Discount Participation Notices are required to be submitted by Lenders pursuant to the applicable Purchase Notice);

(f) upon submission by a Lender of a Discount Participation Notice, subject to the foregoing clause (e), such Lender will be irrevocably obligated to sell the entirety or its pro rata portion (as applicable pursuant to clause (d) above) of the Reply Amount at

the Offer Price plus accrued and unpaid interest through the date of purchase to such Co-Borrower pursuant to Section 11.04 and as otherwise provided herein; and

(g) purchases by such Co-Borrower of Qualifying Loans shall result in the immediate cancellation of such Qualifying Loans.

“Disqualified Capital Stock” shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable other than solely for Qualified Capital Stock, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to 180 days after the Latest Maturity Date in effect at the time of issuance of such Equity Interest, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to 180 days after the Latest Maturity Date in effect at the time of issuance of such Equity Interest, or (c) contains any mandatory repurchase obligation which may come into effect prior to 180 days after the Latest Maturity Date in effect at the time of issuance of such Equity Interest; provided, however, that any Equity Interests that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change in control or an asset sale occurring prior to 180 days after the Latest Maturity Date in effect at the time of issuance of such Equity Interest shall not constitute Disqualified Capital Stock if such Equity Interests provide that the issuer thereof will not redeem any such Equity Interests pursuant to such provisions prior to the repayment in full of the Obligations.

“Disqualified Institution” shall mean, on any date, (a) any Sanctioned Person and (b) any other Person that is a direct competitor of the Designated Company (other than a Person described in clause (a) or (b) of the definition of Known Affiliate) or a Known Affiliate of a competitor, which Person has been designated by the Designated Company as a “Disqualified Institution” by written notice to the Administrative Agent from time to time after the 90th day following the Closing Date; provided that “Disqualified Institutions” shall exclude any Person that the Designated Company has designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent from time to time.

“Distribution” shall mean, collectively, with respect to any Person, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of Equity Interests, from time to time received, receivable or otherwise distributed to such Person in respect of or in exchange for any or all of the Equity Interests or Intercompany Notes owned by such Person.

“Dividend” with respect to any person shall mean that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such person outstanding (or any options or warrants issued by such person with respect to its Equity Interests). Without limiting the foregoing, “Dividends” with respect to any person shall also include all payments made or required to be made by such person with respect to any stock

appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes, except to the extent such payments reduce Consolidated Net Income.

“Dividend Recapture Amount” shall have the meaning assigned to such term in Section 6.08(d)(iii).

“Dollar Equivalent” shall mean, as to any amount denominated in any currency other than Dollars as of any date of determination, the amount of Dollars that would be required to purchase the amount of such currency based upon the Spot Selling Rate as of such date, and as to any amount denominated in Dollars, such amount in Dollars.

“Dollars” or **“dollars”** or **“\$”** shall mean lawful money of the United States.

“DQ List” shall have the meaning assigned to such term in Section 11.04(g)(iv).

“Dubai Guarantor” shall mean each Restricted Subsidiary of the Designated Company organized in the Dubai International Financial Centre party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company organized in the Dubai International Financial Centre that becomes a Guarantor pursuant to the terms hereof.

“Dubai Security Agreements” shall mean, collectively (i) any Security Agreements, including all subparts thereto, among any Dubai Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Dubai Guarantor or any Person who is the holder of Equity Interests in any Dubai Guarantor in favor of the Collateral Agent and the Secured Parties and, in the case of an Assignment of Credits Agreement, also in favor of the Revolving Credit Collateral Agent and the secured parties under the Revolving Credit Agreement, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of the Dubai International Financial Centre (or any subdivision thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“Dutch Guarantor” shall mean each Restricted Subsidiary of the Designated Company organized under the laws of the Netherlands party hereto as a Guarantor, each other Restricted Subsidiary of the Designated Company organized under the laws of the Netherlands that becomes a Guarantor pursuant to the terms hereof, and, following the Permitted Holdings Amalgamation if AV Minerals is Successor Holdings, AV Minerals.

“Dutch Security Agreements” shall mean, collectively (i) any Security Agreements, including all subparts thereto, among any Dutch Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Dutch Guarantor or any Person who is the holder of Equity Interests in any Dutch Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of the Netherlands (or any subdivision thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“EEA Financial Institution” shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” shall mean January 10, 2017.

“Eligible Assignee” shall mean (a) any Lender, (b) an Affiliate of any Lender, (c) an Approved Fund of a Lender and (d) any other person approved, in the case of this clause (d) only, by the Designated Company (such approval not to be unreasonably withheld or delayed and such approval shall be deemed given if no objection is made by the Designated Company within five Business Days after receipt of a notice of an assignment proposing such person as an assignee of any interest in any Loans); provided that (x) no approval of the Designated Company shall be required during the continuance of an Event of Default or on or prior to the Syndication Termination Date, (y) “Eligible Assignee” shall not include AV Minerals, Holdings or any of its Affiliates or Subsidiaries (other than, commencing with the date that is three months after the Syndication Termination Date, each Co-Borrower, solely to the extent that such Co-Borrower purchases or acquires Term Loans originally made to such Co-Borrower pursuant to a Discounted Purchase and effects a Cancellation immediately upon such purchase or acquisition pursuant to documentation reasonably satisfactory to the Administrative Agent) or any natural person and (z) each assignee Lender shall be subject to each other applicable requirement regarding Lenders hereunder. Any Disqualified Institution is subject to Section 11.04(g) hereof.

“Embargoed Person” shall have the meaning assigned to such term in Section 6.21.

“Environment” shall mean the natural environment, including air (indoor or outdoor), surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources, sewer systems, the workplace or as otherwise defined in any Environmental Law.

“Environmental Claim” shall mean any claim, notice, demand, order, action, suit, proceeding or other formal communication alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Material at any location or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to the Environment or to human health or safety relating to or arising out of the use of, exposure to or Releases or threatened Releases of Hazardous Material.

“Environmental Law” shall mean any and all treaties, laws, statutes, ordinances, regulations, rules, decrees, orders, judgments, consent orders, consent decrees, code or other legally binding requirements (including the *Guide d’Intervention – Protection des sols et de*

réhabilitation des terrains contaminés of the Quebec Ministry of Sustainable Development, Environment and Fight Against Climate Change), and the common law and civil law, relating to protection of human health or the Environment, the Release or threatened Release of Hazardous Material, natural resources or natural resource damages, or occupational safety or health, and any and all Environmental Permits.

“**Environmental Permit**” shall mean any permit, license, approval, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

“**Equipment**” shall mean “equipment,” as such term is defined in the UCC, in which such Person now or hereafter has rights.

“**Equity Interest**” shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the Closing Date or issued after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“**ERISA Affiliate**” shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414 of the Code.

“**ERISA Event**” shall mean (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the thirty (30) day notice period is waived by regulation); (b) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Plan whether or not waived; (c) the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the filing pursuant to Section 412 of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the incurrence by any Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA; (f) the receipt by any Company or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (g) the occurrence of any event or condition which could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (h) the incurrence by any Company or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Plan subject to Section 4063 of ERISA or a cessation of operation that is treated as a withdrawal under Section 406(e) of ERISA; (i) a complete or partial withdrawal by any Company or any ERISA Affiliate from a Multiemployer Plan resulting in material Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (j) the making of any amendment to any Plan which could result in the imposition of a lien or the posting of a bond or other security; and (k) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could reasonably be expected to result in a Material Adverse Effect.

“Erroneous Payment” shall have the meaning assigned to it in Section 10.14(a).

“Erroneous Payment Deficiency Assignment” shall have the meaning assigned to it in Section 10.14(d)(i).

“Erroneous Payment Impacted Class” shall have the meaning assigned to it in Section 10.14(d)(i).

“Erroneous Payment Return Deficiency” shall have the meaning assigned to it in Section 10.14(d)(i).

“Erroneous Payment Subrogation Rights” has the meaning assigned to it in Section 10.14(e).

“Escrow Account” shall mean the segregated deposit account maintained by the Escrow Agent for the purpose of holding and disbursing the Escrowed Amounts, that has been designated as such in writing (which may be by e-mail) by the Escrow Agent to the Designated Company prior to the Aleris Increase Effective Date (or any replacement account designated as such in writing (which may be by e-mail) by the Escrow Agent to the Designated Company from time to time thereafter).

“Escrow Agent” shall have the meaning assigned to such term in the preamble hereto.

“Escrow Drawdown Request” shall mean a request by Novelis Acquisitions in accordance with the terms of Section 2.21 and substantially in the form of Exhibit I.

“Escrow Period” shall mean the period commencing on the Aleris Incremental Escrow Date, and ending at the earlier of (a) the Escrow Release Time, and (b) the time that all Escrowed Amounts have been returned to the applicable Aleris Incremental Term Lenders pursuant to Section 2.21(g).

“Escrowed Amounts” shall mean the amounts deposited by the Aleris Incremental Term Lenders pursuant to a Borrowing Request and held by the Escrow Agent in the Escrow Account during the Escrow Period in accordance with Section 2.21; provided that (x) if any such amounts are deposited by an Aleris Incremental Term Lender after 3:00 p.m., London time, on the Escrow Date and before the Escrow Release Time, such amounts shall only constitute Escrowed Amounts beginning on the Business Day so deposited (or the following Business Day, if deposited after 3:00 p.m., London Time) and (y) any funds deposited by an Aleris Incremental Term Lender following the Escrow Release Time shall be returned to such Aleris Incremental Term Lender by the Escrow Agent pursuant to Section 2.18(g)(ii) and shall constitute Residual Returned Amounts.

“Escrowed Term Loans” shall mean, during the Escrow Period, the Aleris Incremental Term Loans advanced pursuant to a Borrowing Request and deposited in the Escrow Account, without regard to any net funding in respect thereof.

“EU Bail-In Legislation Schedule” shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Euro” shall mean the lawful currency of the Participating Member States introduced in accordance with the legislative measures of the European Council for the introduction of, changeover to or operation of a single unified European currency.

~~“Eurodollar Base Rate” shall mean, for any Interest Period, the rate per annum equal to the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two London Banking Days prior to the commencement of such Interest Period by reference to the ICE Benchmark Administration Interest Settlement Rates for Dollar deposits, as published by Reuters or any other service selected by the Administrative Agent that has been nominated by the ICE Benchmark Administration Limited as an authorized information vendor for the purpose of displaying such rates (the “Screen Rate”), with a term equivalent to such Interest Period; provided that if no Screen Rate is available for such Interest Period, then the “Eurodollar Base Rate” for such Interest Period shall be the Interpolated Screen Rate for a period equal in length to such Interest Period; provided, further, that if the Interpolated Screen Rate is not available at such time for any reason, then the “Eurodollar Base Rate” for such Interest Period shall be the rate per annum determined by the Administrative Agent equal to the average of rates per annum at which deposits in Dollars are offered for such Interest Period to the Administrative Agent by three leading banks in the London interbank market in London, England at approximately 11:00 a.m. (London time) on the date which is two London Banking Days prior to the commencement of such Interest Period; provided, further, that if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Each determination by Administrative Agent pursuant to this definition shall be conclusive absent manifest error.~~

~~“Eurodollar Rate” shall mean for any Interest Period with respect to a Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent pursuant to the following formula:~~

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

~~“Eurodollar Rate Borrowing” shall mean a Borrowing comprised of Eurodollar Rate Loans.~~

~~“Eurodollar Rate Loan” shall mean a Term Loan that bears interest at a rate determined by reference to the Eurodollar Rate.~~

~~“Eurodollar Reserve Percentage” shall mean, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurodollar funding (currently referred to as “Eurocurrency liabilities”). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage, and no earlier than the date that the Administrative Agent obtains knowledge thereof.~~

“Event of Default” shall have the meaning assigned to such term in Section 8.01.

“Excess Cash Flow” shall mean, for any Excess Cash Flow Period, Consolidated EBITDA for such Excess Cash Flow Period, minus, without duplication:

(a) Debt Service for such Excess Cash Flow Period;

(b) the aggregate amount of prepayments, redemptions and repurchases (to the extent resulting in cancellation of the underlying obligation and in the case of revolving Indebtedness, a simultaneous permanent reduction in commitments) made by the Designated Company and its Restricted Subsidiaries from Internally Generated Cash Flow during such Excess Cash Flow Period in respect of principal on Capital Lease Obligations, Purchase Money Obligations, Additional Senior Secured Indebtedness and any Indebtedness of a Restricted Subsidiary that is not a Loan Party (and, in the case of prepayments of any revolving Indebtedness, to the extent accompanied by a simultaneous permanent reduction in an equal amount of the revolving commitments in respect of such Indebtedness), in each case, so long as such amounts are not already reflected in Debt Service, during such Excess Cash Flow Period;

(c) Capital Expenditures during such Excess Cash Flow Period (excluding Capital Expenditures made in such Excess Cash Flow Period where a certificate in the form contemplated by the following clause (d) was previously delivered) that are paid in cash from Internally Generated Cash Flow;

(d) Capital Expenditures that the Designated Company or any of its Restricted Subsidiaries shall, during such Excess Cash Flow Period, become obligated to make but that are not made during such Excess Cash Flow Period; provided that the Designated Company shall deliver a certificate to the Administrative Agent not later than 105 days after the end of such Excess Cash Flow Period, signed by a Responsible Officer of the Designated Company and certifying that such Capital Expenditures will be made in the following Excess Cash Flow Period from Internally Generated Cash Flow;

(e) the aggregate amount of Investments made in cash during such Excess Cash Flow Period from Internally Generated Cash Flow pursuant to Sections 6.04(e), (h), (l), (m) and (r)(i), (iii), (iv) and (v);

(f) (i) taxes of the Designated Company and its Restricted Subsidiaries that were paid in cash during such Excess Cash Flow Period (excluding taxes paid in such Excess Cash Flow period where a certificate contemplated by the following clause (ii) was previously delivered) and (ii) taxes of the Designated Company and its Restricted Subsidiaries that will be paid within six months after the end of such Excess Cash Flow Period and for which reserves have been established; provided that the Designated Company shall deliver a certificate to the Administrative Agent not later than 105 days after the end of such Excess Cash Flow Period, signed by a Responsible Officer of the Designated Company and certifying that such taxes will be paid within such six month period;

(g) the absolute value of the difference, if negative, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period (or, in the case of the Excess Cash Flow Period for the first complete fiscal year of the Designated Company commencing after the Closing Date, at the first day of such Excess Cash Flow Period) over the amount of Net Working Capital at the end of such Excess Cash Flow Period (excluding or removing any impacts from non-cash currency translation adjustments, non-cash unrealized derivatives, non-cash reclassifications, interest, income taxes and dividends);

(h) to the extent added to determine Consolidated EBITDA and paid in cash during such Excess Cash Flow Period, cash charges referred to in clauses (x)(e)(i) and (ii) of the definition of Consolidated EBITDA;

(i) losses excluded from the calculation of Consolidated Net Income by operation of clause (d) of the definition thereof that are paid or realized in cash during such Excess Cash Flow Period;

(j) cash payments made in satisfaction of non-current liabilities reflected on the balance sheet of the Designated Company (excluding payments of Indebtedness for borrowed money) paid from Internally Generated Cash Flow;

(k) cash payments associated with realized currency derivatives hedging non-current assets and liabilities paid from Internally Generated Cash Flow;

(l) (i) Dividends paid in cash to Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) to the extent permitted pursuant to Section 6.08, (ii) Management Fees paid in cash during such Excess Cash Flow period in accordance with Section 6.08(c), and (iii) Dividends paid in cash to holders of Equity Interests of Restricted Subsidiaries other than any Company or any Unrestricted Subsidiary, in each case, from Internally Generated Cash Flow;

(m) to the extent added to determine Consolidated EBITDA, all items that did not result from a cash payment to the Designated Company or any of its Restricted Subsidiaries on a consolidated basis during such Excess Cash Flow Period;

(n) the aggregate amount of any premium, make-whole or penalty payments or fees actually paid in cash by the Designated Company and its Restricted Subsidiaries during such Excess Cash Flow Period that are made in connection with any prepayment of Indebtedness or incurrence of Indebtedness permitted hereunder, in each case, from Internally Generated Cash Flow; and

(o) an amount equal to the aggregate non-cash gain on Asset Sales by the Designated Company and its Restricted Subsidiaries during such Excess Cash Flow Period;

provided that any amount deducted pursuant to any of the foregoing clauses that will be paid after the close of such Excess Cash Flow Period shall not be deducted again in a subsequent Excess Cash Flow Period; plus, without duplication:

(i) the difference, if positive, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period (or, in the case of the Excess Cash Flow Period for the first complete fiscal year of the Designated Company commencing after the Closing Date, at the first day of such Excess Cash Flow Period) over the amount of Net Working Capital at the end of such Excess Cash Flow Period (excluding or removing any impacts from non-cash currency translation adjustments, non-cash unrealized derivatives, non-cash reclassifications, interest, income taxes and dividends);

(ii) to the extent any permitted Capital Expenditures referred to in clause (d) above do not occur in the Excess Cash Flow Period specified in the certificate of the Designated Company provided pursuant to clause (d) above, such amounts of Capital Expenditures that were not so made in the Excess Cash Flow Period specified in such certificates;

(iii) to the extent any tax payments referred to in clause (f)(ii) above do not occur in the Excess Cash Flow Period specified in the certificate of the Designated Company provided pursuant to clause (f)(ii)

above, such amounts of tax payments that were not so made in the Excess Cash Flow Period specified in such certificates;

(iv) to the extent not reflected in Consolidated EBITDA for such Excess Cash Flow Period, any return on or in respect of Investments received in cash during such period, which Investments were made from Internally Generated Cash Flow pursuant to Sections 6.04(e), (h), (l), (m) and (r)(i), (iii), (iv) and (v);

(v) income and gains excluded from the calculation of Consolidated Net Income in any period by operation of clause (d) of the definition thereof or excluded from the calculation of Consolidated EBITDA by operation of clause (z)(c) of the definition thereof that are realized in cash during such Excess Cash Flow Period;

(vi) cash receipts associated with realized currency derivatives hedging non-current assets and liabilities;

(vii) to the extent subtracted in determining Consolidated EBITDA, all items that did not result from a cash payment by the Designated Company or any of its Subsidiaries on a consolidated basis during such Excess Cash Flow Period (other than accruals paid or to be paid in the ordinary course); and

(viii) an amount equal to the aggregate non-cash loss on Asset Sales by the Designated Company and its Restricted Subsidiaries during such Excess Cash Flow Period;

provided, that, notwithstanding anything to the contrary in this definition, if the Designated Holdco Effective Date occurs during an Excess Cash Flow Period, then solely for the purposes of calculating Excess Cash Flow for such Excess Cash Flow Period, each reference in this definition to the Designated Company shall mean, without duplication, both the Borrower and Designated Holdco.

“Excess Cash Flow Percentage” shall have the meaning assigned to such term in Section 2.10(f).

“Excess Cash Flow Period” shall mean each fiscal year of the Designated Company, beginning with the fiscal year of the Designated Company ending March 31, 2018.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excluded Collateral Subsidiary” shall mean, at any date of determination, any Restricted Subsidiary other than a Specified Aleris Subsidiary designated as such in writing (together with a supplement to Schedule 1.01(c)) by the Designated Company to the Administrative Agent that:

(w) (i) contributed 2.5% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, and
(ii) had consolidated assets representing 2.5% or less of the Consolidated Total Assets of the Designated Company and its Restricted Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements have

been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination;

(x) together with all other Restricted Subsidiaries constituting Excluded Collateral Subsidiaries (i) contributed 7.5% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, and (ii) had consolidated assets representing 7.5% or less of the Consolidated Total Assets of the Designated Company and its Restricted Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination;

(y) is not a Loan Party on the Closing Date; provided that no Loan Party shall constitute an Excluded Collateral Subsidiary except to the extent such Loan Party issues Equity Interests to Persons other than a Company pursuant to Section 6.06(l) and immediately prior to such issuance such Person would have otherwise qualified as an Excluded Collateral Subsidiary under clause (w) and (x) above; and

(z) is not Aleris Casthouse or Aleris Rolled Products, and is not a Loan Party on the Aleris Acquisition Closing Date, after giving effect to the Aleris Acquisition and the other transactions consummated on such date.

The Excluded Collateral Subsidiaries as of the Amendment No. 6 Effective Date are listed on Schedule 1.01(c), as supplemented pursuant to Amendment No. 6, which supplement shall replace and supersede in all respects any such prior Schedule 1.01(c) or designation of Excluded Collateral Subsidiaries; provided that, to the extent that any German Borrower Holding Company, Aleris Hong Kong or Aleris Rolled Products Mexico, S. de R.L. de C.V., a company organized under the laws of Mexico, directly or indirectly own Equity Interests in a borrower under the Revolving Credit Agreement, then such entities may not be Excluded Collateral Subsidiaries.

The Designated Company may cause a Subsidiary to cease to be an Excluded Collateral Subsidiary by delivering to the Administrative Agent written notice (together with a supplement to Schedule 1.01(c)) that such Subsidiary is no longer an Excluded Collateral Subsidiary, and following any such notice the Designated Company shall cause such Subsidiary to comply with the requirements of Section 5.11 within the time periods required thereby. The Designated Company may supplement Schedule 1.01(c) from time to time following the Amendment No. 6 Effective Date in accordance with this definition and Section 5.11(b) and (d).

Notwithstanding the foregoing, in the event Aleris Hong Kong would qualify as an Excluded Collateral Subsidiary but for its failure to satisfy the requirements set forth in clause (w) above, Aleris Hong Kong shall qualify as an Excluded Collateral Subsidiary so long as Aleris Hong Kong owns no assets other than Investments in Companies organized under the laws of the People's Republic of China.

“Excluded Contract” shall have the meaning assigned to such term in the definition of “Excluded Property”.

“Excluded Equity Interests” shall mean (a) any Equity Interests of any Person with respect to which the cost or other consequences (including any adverse tax consequences) of pledging such Equity Interests shall be excessive in view of the benefits to be obtained by the Lenders therefrom as reasonably determined by the Administrative Agent and the Designated Company, (b) (i) any Equity Interests to the extent the pledge thereof would be prohibited by any

applicable law or contractual obligation (only to the extent such prohibition is applicable and not rendered ineffective by any applicable law and, in the case of any such contractual obligation, permitted under Section 6.19 hereof) and (ii) the Equity Interests of any Unrestricted Subsidiary (c) all Equity Interests in each of Aleris Belgium, Aleris Italy, Novelis Vietnam Company Limited, Aleris Rolled Products Mexico, S. de R.L. de C.V., a company organized under the laws of Mexico, and Aleris Switzerland GmbH, a company organized under the laws of Switzerland, and (d) the Chinese Subsidiary Equity Interests, unless the Required Lenders reasonably determine that the value of the Chinese Subsidiary Equity Interests, if pledged, would be material to the Collateral, taken as a whole, and request the pledge of such Chinese Subsidiary Equity Interests (in which case such Chinese Subsidiary Equity Interests shall cease to be Excluded Equity Interests sixty days (or such later date agreed by the Administrative Agent) following receipt of such request); provided that the Equity Interests issued by a Specified Aleris Subsidiary shall not constitute Excluded Equity Interests. For the avoidance of doubt, without the consent of the Tulip Foundation (solely to the extent that it continues to own Equity Interests in Aleris German GP Holdco), following the Aleris Acquisition Closing Date the Equity Interests of Aleris German GP Holdco owned by Aleris Germany shall constitute Excluded Equity Interests under clause (b)(i) above.

“Excluded Factoring Bank Accounts” shall have the meaning assigned to such term in the definition of “Excluded Property”.

“Excluded Property” shall mean (a) any Excluded Equity Interests, (b) any property, including the rights under any contract or agreement (an **“Excluded Contract”**) to the extent that the grant of a Lien thereon (i) is prohibited by applicable Requirements of Law (except as otherwise agreed by any Governmental Authority pursuant to a U.S. Hold Separate Agreement) or contractual obligation so long as such contractual obligations are not entered into in contemplation of such prohibition, (ii) requires a consent not obtained of any governmental authority pursuant to such applicable law or any third party pursuant to any contract between the Designated Company or any Subsidiary and such third party or (iii) would trigger a termination event pursuant to any “change of control” or similar provision, in each case pursuant to this clause (a), except to the extent such anti-assignment or negative pledge is not enforceable under the UCC or other applicable Requirement of Law, or such contractual obligation is prohibited under Section 6.19 hereof, (b) United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a Lien thereon would impair the validity or enforceability of such intent-to-use trademark applications under applicable United States federal law, (c) local petty cash deposit accounts maintained by the Designated Company and its Restricted Subsidiaries in proximity to their operations, (d) payroll accounts maintained by the Designated Company and its Subsidiaries, (e) Property that is, or is to become, subject to a Lien securing a Purchase Money Obligation or Capital Lease Obligation permitted to be incurred pursuant to this Agreement, if the contract or other agreement in which such Lien is granted (or the documentation providing for such Purchase Money Obligation or Capital Lease Obligation) validly prohibits the creation of any other Lien on such Property and such prohibition is permitted under Section 6.19 hereof, (f) (x) any leasehold real property and (y) any fee-owned real property that is not a Material Real Estate Asset, (g) any Letter-of-Credit Rights that are not Supporting Obligations (each as defined in the UCC), (h) the Specified Immaterial Property, unless the Required Lenders reasonably determine that the value of any portion of the Specified Immaterial Property, if pledged, would be material to the Collateral, taken as a whole, and request the pledge of such Specified Immaterial Property (in which case such material portion of the Specified Immaterial Property shall cease to be Excluded Property sixty days (or such later date agreed by the Administrative Agent) following receipt of such request), (i) any other property with respect to which the cost or other consequences (including any materially adverse tax consequences) of pledging such property shall be excessive in view of the benefits to be obtained by the Lenders therefrom as reasonably determined by the Administrative Agent, (j) Equipment located at owned or leased locations in Brazil where the aggregate fair market value

of the Equipment located at such location and not subject to a Lien in favor of the Collateral Agent does not exceed \$5,000,000, (k) if the aggregate fair market value of Equipment located at the plant operated by Novelis do Brasil Ltda., at Av. Buriti, 1.087, CEP 12441-270, Feital – Pindamonhangaba-SP, Brazil and acquired in connection with the expansion of such plant commencing in August 2022 (the “**Specified Brazilian Expansion**”) that is not pledged in favor of the Collateral Agent to secure the Secured Obligations is less than \$100,000,000, then such Equipment shall not be required to be so pledged until the earlier of (i) the date that is two years after the commencement of the Specified Brazilian Expansion, and (ii) the date that the Companies complete or otherwise discontinue work on the expansion of such plant, (l) Factoring Bank Accounts in respect of any Permitted Customer Account Financing or other Permitted Factoring Facility, solely to the extent that (i) such financing or facility remains in full force and effect or, if factored receivables continue to be settled using such account, until the earlier of the date that the last such factored receivable has settled and the date that such account is closed, (ii) such Factoring Bank Accounts constitute Factoring Assets solely in respect of such Permitted Customer Account Financing or such other Permitted Factoring Facility, (iii) such Factoring Bank Accounts are segregated (and the deposits therein not commingled with Collateral) in a manner reasonably satisfactory to the Revolving Credit Administrative Agent (with written confirmation of such determination provided to the Administrative Agent), and (iv) Holdings or the Designated Company shall have executed and delivered a certificate to the Administrative Agent, no later than two Business Days after entering into a Permitted Customer Account Financing or other Permitted Factoring Facility, attaching a description of such Factoring Bank Accounts subject to such financing or facility, and certifying that the terms of such financing or facility comply with the requirements set forth in this clause (l) (Factoring Bank Accounts that continue to satisfy the requirements of subclauses (i) through (iv) of this clause (l), the “**Excluded Factoring Bank Accounts**”), (m) Inventory owned by Novelis do Brasil Ltda. to the extent that a Lien over such Inventory has not been granted to the Revolving Credit Collateral Agent as a result of the Revolving Credit Collateral Agent electing not to require an update or supplemental pledge of Inventory owned by Novelis do Brasil Ltda. pursuant to the applicable Brazilian security agreement in favor of the Revolving Credit Collateral Agent, (n) (i) all Real Property owned or leased by Aleris Belgium, (ii) all Intellectual Property co-owned by Aleris Belgium and Aleris Rolled Products that is subject to the Belgian Purchase Documents, (iii) all other assets owned by Aleris Belgium other than Revolving Credit Priority Collateral that is pledged to the Revolving Credit Collateral Agent pursuant to the Revolving Credit Loan Documents, and (iv) all assets owned by Aleris Italy, (o) Real Property located in Germany unless (i) to the extent a land charge already exists over such assets, the Collateral Agent requests that such land charge be assigned to the Collateral Agent or (ii) if no such land charge exists, the Collateral Agent requests that a land charge be granted over such assets in favor of the Collateral Agent, in any case under this clause (o) provided that (x) the Collateral Agent shall be entitled to make such request for assignment or creation of a land charge, as applicable, at any time and (y) the relevant owner of such Real Property shall (even in absence of a request for assignment or creation of a land charge) enter into a German law Real Property agreement relating to its Real Property in form and substance reasonably satisfactory to the Collateral Agent; provided that with respect to Real Property located in Germany, Lenders may elect to be excluded from the benefit of any land charge granted over such assets, and in any case each Lender organized under the laws of India, Australia, Singapore, Hong Kong, Taiwan or China shall be excluded from any land charge granted in respect of Real Property located in Germany, unless such Lender expressly elects in a writing delivered to the Collateral Agent to obtain the benefit of such land charge, provided, further, that the Equity Interests issued by a Specified Aleris Subsidiary shall not constitute Excluded Property, and (p) all Inventory owned by Aleris Rolled Products located in Italy or France.

“**Excluded Subsidiaries**” shall mean Restricted Subsidiaries of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) that are not organized in a Principal Jurisdiction.

“Excluded Swap Obligation” shall mean, with respect to any Guarantor (or any Co-Borrower with respect to the obligations of any other Loan Party under any Hedging Agreement entered into with a counterparty that is a Secured Party), any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor (or such Co-Borrower as the case may be) of, or the grant by such Guarantor (or such Co-Borrower as the case may be) of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s (or such Co-Borrower’s as the case may be) failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor (or such Co-Borrower as the case may be) or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” shall mean:

(a) with respect to the Agents, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Co-Borrower hereunder other than an obligation in respect of the Aleris Incremental Term Loans, (i) Taxes imposed on or measured by overall net income (however denominated), franchise Taxes (in lieu of net income taxes), and branch profits Taxes, in each case, (A) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) Taxes attributable to such recipient’s failure to comply with Section 2.15(e), and (iii) any U.S. federal withholding Taxes imposed under FATCA; and

(b) with respect to the Agents, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Co-Borrower hereunder in respect of the Aleris Incremental Term Loans, (i) Taxes imposed on or measured by overall net income (however denominated), franchise Taxes (in lieu of net income taxes), and branch profits Taxes, in each case, (A) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) solely to the extent that each Co-Borrower under the Aleris Incremental Term Loans is a domestic corporation as defined in Section 7701(a)(30)(C) of the Code (or is a limited liability company that is disregarded as an entity separate from its owner for United States federal income tax purposes and is wholly owned by a domestic corporation), and solely in the case of a Lender that is not a Covered Aleris Lender, withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in Aleris Incremental Term Loans (or Aleris Incremental Term Loan Commitments in respect thereof) pursuant to a law in effect on the date on which such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request under Section 2.16), except in each case to the extent that, pursuant to Section 2.15, amounts with respect to such Taxes were payable to such Lender’s assignor immediately before such Lender became a party hereto pursuant to an Assignment and Assumption, (iii) Taxes attributable to such recipient’s failure to comply with Section 2.15(e), and (iv) any U.S. federal withholding Taxes imposed under FATCA.

“Executive Order” shall have the meaning assigned to such term in Section 3.22.

“Existing Credit Agreement” shall mean that certain Amended and Restated Credit Agreement, dated as of June 2, 2015, among Novelis Inc., as borrower, the other loan parties

party thereto, the lenders party thereto, Bank of America, N.A., as administrative agent and as collateral agent, and the other parties thereto, as amended, restated, supplemented or modified prior to the Closing Date.

“**Existing Lien**” shall have the meaning assigned to such term in Section 6.02(c).

“**Factoring Assets**” shall mean all existing or hereafter acquired or arising (i) Receivables that are sold, transferred or disposed of pursuant to a Permitted Factoring Facility permitted under Section 6.06(e), (ii) Related Security with respect to the Receivables referred to in clause (i) above, (iii) collections and proceeds of the Receivables and Related Security referred to in clauses (i) and (ii) above, (iv) lockboxes, lockbox accounts, collection accounts or other deposit accounts substantially all of the deposits of which consist of such collections and proceeds referred to in clause (iii) above and which have been specifically identified and consented to by the Revolving Credit Administrative Agent (the lockboxes and accounts described in this clause (iv), “**Factoring Bank Accounts**”), (v) without duplication of the foregoing clauses (i) through (iv), rights and payments which relate solely to the Receivables referred to in clause (i) above and (vi) cash reserves comprising credit enhancements for such Permitted Factoring Facility.

“**Factoring Bank Accounts**” shall have the meaning assigned to such term in clause (iv) of the definition of Factoring Assets.

“**Fallback Rate**” shall mean, in relation to a Borrowing, subject to Section 1.07, (a) if ~~no Eurodollar Rate~~ the Benchmark is not available for the relevant currency or Interest Period, the Reference Bank Rate as of the ~~Specified Time~~ Periodic Term SOFR Determination Day for the currency of that Borrowing and for a period equal in length to the Interest Period of that Borrowing, or (b) if neither ~~a Eurodollar Rate~~ the Benchmark nor a Reference Bank Rate is available for the relevant currency or Interest Period, the Cost of Funds shall apply to that Borrowing for that Interest Period.

“**Fallback Rate Borrowing**” shall mean a Borrowing comprised of Fallback Rate Loans.

“**Fallback Rate Loan**” shall mean a Term Loan that bears interest based on the Fallback Rate.

“**FASB ASC**” shall mean the Accounting Standards Codification of the Financial Accounting Standards Board.

“**FATCA**” shall mean (a) Sections 1471 to 1474 of the Code and any associated regulations; (b) any treaty, law or regulation of any other jurisdiction, or relating to any intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in clause (a) above; or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in clauses (a) or (b) above with the IRS, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Application Date**” shall mean (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the United States), July 1, 2014; (b) in relation to a “withholdable payment” described in Section 1473(1)(A)(ii) of the Code (which relates to “gross

proceeds” from the disposition of property of a type that can produce interest from sources within the United States), January 1, 2019; or (c) in relation to a “passthru payment” described in Section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, January 1, 2019; or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“**FATCA Deduction**” shall mean a deduction or withholding from a payment under a Loan Document required by FATCA.

“**FATCA Exempt Party**” shall mean a Party that is entitled to receive payments free from any FATCA Deduction.

“**Fee Letters**” means the Agent Fee Letter, the Upfront Fee Letter, the Aleris Fee Letter, the Tranche A-1 Fee Letter, and each Additional Fee Letter.

“**Fees**” shall mean the fees and prepayment premiums payable hereunder or under each Fee Letter.

“**Financial Performance Covenant**” shall mean the covenant set forth in [Section 6.14](#).

“**Financial Officer**” of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

“**Financial Support Direction**” shall mean a financial support direction issued by the Pensions Regulator under Section 43 of the Pensions Act 2004.

“**FIRREA**” shall mean the Federal Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

“**First Priority**” shall mean, with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is the most senior Lien to which such Collateral is subject, other than Permitted Liens of the type described in [Section 6.02\(a\), \(b\), \(c\), \(d\), \(f\), \(g\), \(h\), \(i\), \(j\), \(k\)](#) (to the extent provided in the Intercreditor Agreement), [\(n\), \(o\), \(q\), \(r\), \(s\), \(t\), \(y\), \(z\), \(bb\), \(dd\), \(ee\)](#) or [\(ff\)](#) which have priority over the Liens granted pursuant to the Security Documents (and in each case, subject to the proviso to [Section 6.02](#)).

“**Flood Insurance Laws**” shall mean, collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

[“Floor” means a rate of interest equal to 0.00%.](#)

“**Foreign Asset Sale**” shall have the meaning assigned to such term in [Section 2.10\(i\)](#).

“**Foreign Guarantee**” shall have the meaning assigned to such term in [Section 7.01](#).

“**Foreign Lender**” shall mean a Lender that is not a U.S. Person.

“**Foreign Plan**” shall mean any pension or other employee benefit or retirement plan, program, policy, arrangement or agreement maintained or contributed to by any Company with

respect to employees employed outside the United States, other than government sponsored pension, healthcare, prescription drugs, employment insurance, parental insurance or workers compensation plans.

“**Foreign Subsidiary**” shall mean a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof or the District of Columbia.

“**Fourth Amendment**” shall mean that certain Amendment No. 4 to Credit Agreement, dated as of August 25, 2020, among the Borrower, AV Metals, the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Fourth Amendment Effective Date**” shall mean the “Amendment Effective Date” as defined in the Fourth Amendment.

“**French Collateral Agent**” shall mean Standard Chartered Bank, in its capacity as security agent (*agent des sûretés*), under the French Security Agreements and any of its successors or assigns; provided that (A) with respect to any French Security Agreements entered into prior to the Second Amendment Effective Date and any security interests granted under any such French Security Agreements, the French Collateral Agent is appointed by the Lenders to act on their behalf as security agent (*agent des sûretés*) to constitute (*constituer*), register (*inscrire*), manage (*gérer*) and enforce (*réaliser*) the security interests contemplated by such French Security Agreements in order to fully secure and guarantee their respective rights in each amount payable by each French Guarantor or each Person who is the holder of Equity Interests in any French Guarantor to each of the Secured Parties under each of the Loan Documents, and in that capacity to accomplish all actions and formalities eventually necessary under article 2328-1 of the French code civil (as enacted as of the Effective Date), and (B) with respect to any French Security Agreements entered into on or after the Second Amendment Effective Date and any security interests granted under any such French Security Agreements, the French Collateral Agent is appointed by the Lenders as security agent (*agent des sûretés*) for the purposes, *inter alia*, of taking, receiving, administering and enforcing the security interests contemplated by such French Security Agreements in the French Collateral Agent’s own name and for the benefit of the Secured Parties, as creditors of the Secured Obligations, in accordance with articles 2488-6 to 2488-12 of the French *code civil*, it being provided that, with respect to the appointment of the French Collateral Agent as security agent (*agent des sûretés*) in this paragraph (B), each of the provisions of Article X hereof shall apply with respect to such appointment and is repeated *mutatis mutandis* in this paragraph (B), and each of the parties hereto acknowledge and agree that in accordance with such appointment as security agent (*agent des sûretés*):

(a) the security agent (*agent des sûretés*), shall, in such capacity, be the direct title holder (*titulaire*) of any security interests contemplated by the French Security Agreements and the direct beneficiary of such security interests;

(b) the rights and assets acquired by the security agent (*agent des sûretés*) in carrying out its functions in such capacity will constitute separate property (*patrimoine affecté*) allocated thereto, distinct from its own property (*patrimoine propre*);

(c) the provisions of Article X hereof set forth the capacity in which the security agent (*agent des sûretés*) has been so appointed, the purpose and the term of such appointment and the scope of its power in connection with such appointment for the purposes of article 2488-7 of the French *code civil*; and

(d) the security agent (*agent des sûretés*) shall be entitled, without being required to prove the existence of a special mandate, to exercise any action necessary in order to defend the

interests of the creditors of the Secured Obligations in connection with the security interests contemplated by the French Security Agreements, including filing claims in insolvency proceedings.

“**French Guarantor**” shall mean each Restricted Subsidiary of the Designated Company organized in France party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company organized in France that becomes a Guarantor pursuant to the terms hereof.

“**French Security Agreement**” shall mean, collectively, (i) any Security Agreements, including all sub-parts thereto, among any French Guarantors (and such other Persons as may be party thereto) and the French Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any French Guarantor or any Person who is the holder of Equity Interests in any French Guarantor and the French Collateral Agent for the benefit of the Secured Parties (and such other Persons as may be party thereto), and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of France (or any subdivision thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“**Fund**” shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“**Funded Debt**” shall mean, as to any person, all Indebtedness of such person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Designated Company and its Subsidiaries, Indebtedness in respect of the Loans and the Revolving Credit Loans.

“**Funding Rate**” shall mean any individual rate notified by a Lender to the Administrative Agent pursuant to the definition of Cost of Funds.

“**GAAP**” shall mean generally accepted accounting principles in the United States applied on a consistent basis; provided that if the Designated Company converts its financial reporting from generally accepted accounting principles in the United States to IFRS as permitted under Section 1.04, “**GAAP**” shall mean (subject to the provisions of Section 1.04 hereof) IFRS applied on a consistent basis.

“**German Borrower Holding Company**” means, on and after the Aleris Acquisition Closing Date, each Subsidiary of Aleris Germany that directly or indirectly owns Equity Interests in Aleris Rolled Products or Aleris Casthouse.

“**German Guarantor**” shall mean each Restricted Subsidiary of the Designated Company organized in Germany party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company organized in Germany that becomes a Guarantor pursuant to the terms hereof.

“German Receivables Purchase Agreement” shall have the meaning assigned to such term in the definition of “Receivables Purchase Agreement”.

“German Security Agreement” shall mean, collectively, (i) any Security Agreement, including all sub-parts thereto, among any German Guarantors (and such other Persons as may be party thereto) and the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, among others, for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any German Guarantor or any Person who is the holder of Equity Interests in any German Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Germany (or any subdivision thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“German Seller” shall mean Novelis Deutschland GmbH, a company organized under the laws of Germany (including in its roles as seller and collection agent under the German Receivables Purchase Agreement).

“Governmental Authority” shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies such as the European Union or the European Central Bank).

“Governmental Real Property Disclosure Requirements” shall mean any Requirement of Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, of the actual or threatened presence or Release in or into the Environment, or the use, disposal or handling of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, leased, mortgaged, assigned or transferred.

“Guarantee Payment” shall have the meaning assigned to such term in Section 7.12(b).

“Guaranteed Obligations” shall have the meaning assigned to such term in Section 7.01.

“Guarantees” shall mean the guarantees issued pursuant to ARTICLE VII by the Guarantors.

“Guarantors” shall mean Holdings and the Subsidiary Guarantors (including Holdings and each Canadian Guarantor, each U.S. Guarantor, each Swiss Guarantor, each U.K. Guarantor, each German Guarantor, each Irish Guarantor, each Brazilian Guarantor, each French Guarantor, each Dubai Guarantor, each Dutch Guarantor, each Belgian Guarantor, and each other Restricted Subsidiary of the Designated Company that becomes a Guarantor hereunder), and, on and after the Specified AV Minerals Joinder Date, AV Minerals.

“**Hazardous Materials**” shall mean the following: hazardous substances; hazardous wastes; polychlorinated biphenyls (“PCBs”) or any substance or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant or contaminant or chemicals, wastes, materials, compounds, constituents or substances, subject to regulation under or which can give rise to liability (including, but not limited to, due to their ignitability, corrosivity, reactivity or toxicity) under any Environmental Laws.

“**Hedging Agreement**” shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging a Company’s exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices, in each case not for speculative purposes.

“**Hedging Obligations**” shall mean obligations under or with respect to Hedging Agreements.

“**Hindalco**” shall mean Hindalco Industries Limited, a corporation organized under the laws of India.

“**Holdings**” shall mean ~~(i) prior to the consummation of the Permitted Holdings Amalgamation, (x) if any transaction described in clause (b), (c) or (f) of the definition of Permitted Reorganization Action has not occurred, AV Metals or (y) AV Minerals, and (ii) upon and after the consummation of the Permitted Holdings Amalgamation, Successor Holdings~~ [AV Minerals](#).

“**IFRS**” shall mean International Financial Reporting Standards consistently applied.

“**Immaterial Subsidiary**” shall mean, at any date of determination, any Subsidiary that, together with all other Subsidiaries then constituting Immaterial Subsidiaries (i) contributed 5.0% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to [Section 5.01\(a\)](#) or [5.01\(b\)](#) prior to the date of determination, (ii) had consolidated assets representing 5.0% or less of the Consolidated Total Assets on the last day of the most recent fiscal quarter ended for which financial statements have been or are required to have been delivered pursuant to [Section 5.01\(a\)](#) or [5.01\(b\)](#) prior to the date of determination, and (iii) is not a Loan Party on the Closing Date.

“**Increase Effective Date**” shall have the meaning assigned to such term in [Section 2.23\(a\)](#).

“**Increase Joinder**” shall have the meaning assigned to such term in [Section 2.23\(c\)](#).

“**Incremental Mandated Lead Arrangers**” shall mean ABN AMRO Capital USA LLC, Australia and New Zealand Banking Group Limited, Axis Bank Limited, Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Asia Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Deutsche Bank Securities Inc., First Abu Dhabi Bank USA N.V., HSBC Securities (USA) Inc., ICICI Bank Limited, New York Branch, ING Bank N.V., Singapore Branch, JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd., MUFG Bank, Ltd., Societe Generale, Hong Kong Branch, Standard Chartered Bank, State Bank of India, and Sumitomo Mitsui Banking Corporation Singapore Branch.

“**Incremental OID**” shall have the meaning assigned to such term in [Section 2.23\(c\)](#).

“Incremental Net Yield” shall have the meaning assigned to such term in Section 2.23(c).

“Incremental Term Loan” shall have the meaning assigned to such term in Section 2.23(c).

“Incremental Term Loan Commitment” shall have the meaning assigned to such term in Section 2.23(a).

“Incremental Term Loan Maturity Date” shall have the meaning assigned to such term in Section 2.23(c).

“Indebtedness” of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or advances; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than ninety (90) days (other than such overdue trade accounts payable being contested in good faith and by proper proceedings, for which appropriate reserves are being maintained with respect to such circumstances in accordance with US GAAP or other applicable accounting standards)); (e) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; (f) all Capital Lease Obligations, Purchase Money Obligations and Synthetic Lease Obligations of such person; (g) all Hedging Obligations to the extent required to be reflected on a balance sheet of such person; (h) all Attributable Indebtedness of such person; (i) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers’ acceptances and similar credit transactions; (j) all obligations of such person under any Qualified Securitization Transaction; and (k) all Contingent Obligations of such person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person’s ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Indebtedness expressly provide that such person is not liable therefor.

“Indemnified Taxes” shall mean (a) all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnatee” shall have the meaning assigned to such term in Section 11.03(b).

“Information” shall have the meaning assigned to such term in Section 11.12.

“Initial Maturity Date” shall mean June 2, 2022.

“Initial Term Loans” shall mean the Term Loans made on the Closing Date under Section 2.01(a).

“Instruments” shall mean all “instruments,” as such term is defined in the UCC, in which any Person now or hereafter has rights.

“Insurance Policies” shall mean the insurance policies and coverages required to be maintained by each Loan Party which is an owner of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 5.04 and all renewals and extensions thereof.

“Insurance Requirements” shall mean, collectively, all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon each Loan Party which is an owner of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

“Intellectual Property” shall have the meaning assigned to such term in Section 3.06(a).

“Interbank Rate” shall mean, for any period, the Administrative Agent’s cost of funds for such period.

“Intercompany Notes” shall mean one or more promissory notes substantially in the form of Exhibit P, or such other form as may be agreed to by the Administrative Agent in its sole discretion.

“Intercreditor Agreement” shall mean that certain Intercreditor Agreement dated as of December 17, 2010 by and among (i) the Companies party thereto, (ii) the Administrative Agent and the Collateral Agent (each pursuant to an intercreditor joinder agreement, dated as of the Closing Date, substantially in the form of Exhibit B to the Intercreditor Agreement), (iii) the Revolving Credit Administrative Agent and the Revolving Credit Collateral Agent (each pursuant to an intercreditor joinder agreement dated as of May 13, 2013), and (iv) such other persons as may become party thereto from time to time pursuant to the terms thereof, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Interest Election Request” shall mean a request by a Co-Borrower to convert or continue a Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit E.

“Interest Payment Date” shall mean, (a) with respect to any Borrowing, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part, and (b) with respect to any Term Loan, the Maturity Date of such Term Loan.

“Interest Period” shall mean, with respect to any ~~Eurodollar Rate~~ SOFR Borrowing or Fallback Rate Borrowing, as applicable, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is three months thereafter, as the applicable Co-Borrower may elect; provided that, for any Interest Periods commencing prior to the Syndication Termination Date, the first two Interest Periods shall each be one month, and the third Interest Period shall commence upon the expiration of the second Interest Period and terminate on March 31, 2017; provided that, for any Interest Periods in respect of any Aleris Incremental Term Loans (including Escrowed Term Loans) commencing prior to the Aleris Syndication Termination Date, such Interest Periods shall each be one month; provided, further, that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) such Co-Borrower shall not select an Interest Period for a Class of Term Loans that would extend beyond the Latest Maturity Date of the applicable Class of such Term Loans, (d) such Co-Borrower shall not select an Interest Period for a Class of Term Loans that would extend beyond the next succeeding Term

Loan Repayment Date, and (e) the Interest Period for any Credit Extension other than the first Credit Extension shall end on the same day as the then-current Interest Period in relation to the first Credit Extension under this Agreement. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. For the avoidance of doubt, the Interest Period applicable to Escrowed Term Loans shall be one month, and such Interest Period shall remain in effect following the funding of the Escrowed Amounts to the applicable Co-Borrower (or to the Person designated by the applicable Co-Borrower to receive such Escrowed Amounts pursuant to Section 2.21) on the Aleris Acquisition Closing Date.

“Internally Generated Cash Flow” shall mean cash generated by the Designated Company and its Restricted Subsidiaries in the ordinary course of business, and in any event excluding (i) proceeds of Casualty Events and Asset Sales under Section 6.06(b), (e), (i), (j), (l), (q), (r) and (s), (ii) proceeds of Indebtedness other than borrowings under the Revolving Credit Facility and intercompany loans from another Company funded in the ordinary course of operations (and not from sources otherwise not constituting Internally Generated Cash Flow) and (iii) proceeds of issuances of Equity Interests other than to another Company funded in the ordinary course of operations (and not from sources otherwise not constituting Internally Generated Cash Flow).

~~“Interpolated Screen Rate” shall mean, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:~~

~~(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and~~

~~(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan, each as of approximately 11:00 a.m. (London time) on the date that is two London Banking Days prior to the commencement of such Interest Period for the currency of that Loan.~~

“Inventory” shall mean all “inventory,” as such term is defined in the UCC, wherever located, in which any Person now or hereafter has rights.

“Investment Recapture Amount” shall have the meaning assigned to such term in Section 6.04(r)(iv).

“Investments” shall have the meaning assigned to such term in Section 6.04.

“Irish Companies Act” shall mean the Companies Act, 2014 of Ireland (as amended, re-enacted, varied or otherwise modified from time to time).

“Irish Guarantor” shall mean each Restricted Subsidiary of the Designated Company incorporated in Ireland party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company incorporated in Ireland that becomes a Guarantor pursuant to the terms hereof.

“Irish Security Agreement” shall mean, collectively, (i) any Security Agreement, including all sub-parts thereto, among any Irish Guarantors (and such other Persons as may be party thereto) and the Collateral Agent, among others, for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee, charge, assignment, deed or other agreement that is entered into by any Irish Guarantor or any Person who is the holder of Equity Interests in any Irish Guarantor in favor of the Collateral Agent and/or the Revolving

Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Ireland (or any subdivision thereof), securing the Secured Obligations (or any part thereof), entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“**IRS**” shall mean the United States Internal Revenue Service.

“**Joinder Agreement**” shall mean a joinder agreement substantially in the form of Exhibit E, or such other form as may be agreed to by the Administrative Agent in its sole discretion.

“**Joint Development Agreement**” shall mean any agreement entered into between one or more Companies and one or more Persons that are not Affiliates, under which the parties to such agreement agree to jointly develop patents and/or other Intellectual Property, and whereby the Company party to such agreement at all times has a joint ownership interest in such patent or other Intellectual Property (subject to the right of the counterparty to acquire sole ownership over Intellectual Property for which such Company elects not to file applications).

“**Joint Venture**” shall mean any person (a) that is not a direct or indirect Subsidiary of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) and (b) in which the Designated Company, in the aggregate, together with its Subsidiaries, is directly or indirectly, the beneficial owner of 5% or more of any class of Equity Interests of such person.

“**Joint Venture Subsidiary**” shall mean each of (i) Aluminum Company of Malaysia Berhard and (ii) any other person that is a Subsidiary in which persons other than Holdings or its Affiliates own 10% or more of the Equity Interests of such person, excluding, to the extent they become Restricted Subsidiaries of the Designated Company after the Closing Date, Logan and Norf GmbH.

“**Judgment Currency**” shall have the meaning assigned to such term in Section 11.18(a).

“**Judgment Currency Conversion Date**” shall have the meaning assigned to such term in Section 11.18(a).

“**Junior Lien**” shall mean a Lien designated as a “Subordinated Lien” under the Intercreditor Agreement on all or any portion of the Collateral, but only to the extent (i) any such Lien constitutes “Subordinated Liens” under, and as defined in, the Intercreditor Agreement (it being understood that such Subordinated Lien will be a junior, “silent” lien with respect to the Liens securing the Secured Obligations, as provided in the Intercreditor Agreement) and (ii) the holders of such Indebtedness (or a trustee, agent or other representative of such holders) secured by such Lien have become a party to the Intercreditor Agreement through the execution and delivery of joinders thereto.

“**Junior Secured Indebtedness**” shall mean Indebtedness of a Loan Party that is secured by a Junior Lien.

“**Known Affiliate**” of any person shall mean, as to such person, known Affiliates readily identifiable by name, but excluding any Affiliate (a) that is a bona fide debt fund or investment vehicle that is primarily engaged in, or that advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds or similar extensions of credit or securities in the ordinary course and with respect to which the

Disqualified Institution does not, directly or indirectly, possess the power to direct or cause the direction of the investment policies of such entity or (b) that is a banking or lending institution engaged in the business of making loans.

“**Land Registry**” shall mean the Land Registry of England and Wales.

“**Landlord Access Agreement**” shall mean a Landlord Access Agreement, substantially in the form of Exhibit G, or such other form as may reasonably be acceptable to the Administrative Agent.

“**Latest Maturity Date**” shall mean, at any date of determination, the latest maturity or expiration date applicable to any Loan hereunder at such time, including the latest maturity or expiration date of any Initial Term Loan, Incremental Term Loan, Aleris Incremental Term Loan, Tranche A-1 Term Loan, Other Term Loan, any Other Term Loan Commitment or Incremental Term Loan Commitment, in each case as extended in accordance with this Agreement from time to time.

“**Leases**” shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

“**Lenders**” shall mean (a) each financial institution that is a party hereto on the Effective Date, (b) any financial institution that has become a party hereto pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to be a party hereto pursuant to an Assignment and Assumption and (c) each Additional Lender that executes an Increase Joinder in accordance with Section 2.23 hereof (excluding, in each case, any such financial institution or Additional Lender to the extent it holds no Commitments and all Obligations owing to it have been paid).

“**Lien**” shall mean, with respect to any property, (a) any mortgage (or mandate to vest a mortgage), deed of trust, lien, pledge, encumbrance, charge, assignment, hypothecation, prior claim, security interest or similar encumbrance of any kind or any arrangement to provide priority or preference in respect of such property or any filing of any financing statement or any financing change statement under the UCC, the PPSA or any other similar notice of lien under any similar notice or recording statute of any Governmental Authority (other than any unauthorized notice or filing filed after the Closing Date for which there is not otherwise any underlying lien or obligation, so long as the Designated Company is (if aware of same) using commercially reasonable efforts to cause the removal of same), including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and any agreement to give any of the foregoing; (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property; and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“**Liquidity**” shall mean as of any date of determination, the sum of (i) Unrestricted Cash of the Designated Company and its Restricted Subsidiaries as of such date plus (ii) unutilized and available commitments under the Revolving Credit Agreement.

“**Loan Documents**” shall mean this Agreement, the Intercreditor Agreement, the Contribution, Intercompany, Contracting and Offset Agreement, the Subordination Agreement,

the Notes (if any), the Security Documents, each Foreign Guarantee, each Fee Letter, each Hedging Agreement entered into with any Secured Hedge Provider (provided that such Hedging Agreements shall be deemed not to be Loan Documents for purposes of the definitions of FATCA Deduction, Indemnified Taxes, Other Connection Taxes, Other Taxes, Permitted Customer Account Financing, Permitted German Alternative Financing, Permitted Holdings Amalgamation, Permitted Novelis Switzerland Financing, Permitted Reorganization, Permitted Revolving Credit Facility Refinancing Transactions and U.S. Tax Obligor, Sections 1.03 and 1.04 and Articles II, III, IV, V, VI, VIII and XI hereof), and all other pledges, powers of attorney, consents, assignments, certificates, agreements or documents, whether heretofore, now or hereafter executed by or on behalf of any Loan Party for the benefit of any Agent or any Lender in connection with this Agreement.

“**Loan Modification Agreement**” shall have the meaning assigned to such term in Section 11.02(f)(ii).

“**Loan Modification Offer**” shall have the meaning assigned to such term in Section 11.02(f)(i).

“**Loan Parties**” shall mean Holdings, the Co-Borrowers, the Subsidiary Guarantors and, on and after the Designated Holdco Effective Date, Designated Holdco, and, on and after the Specified AV Minerals Joinder Date, to the extent that Holdings is not AV Minerals, AV Minerals.

“**Loans**” shall mean Term Loans.

“**Logan**” shall mean Logan Aluminum Inc., a Delaware corporation.

“**Logan Joint Venture Arrangement**” means the production joint venture arrangement with Tri Arrows Aluminum Inc. governed by the terms of the Logan Joint Venture Agreement, dated January 18, 1985, between Novelis Corporation, as successor in interest to Alcan Aluminum Corporation, and Tri Arrows Aluminum Inc. (“**Tri Arrows**”), as successor in interest to Arco Logan Inc., as amended and supplemented from time to time.

“**Logan Joint Venture Licenses**” means the non-exclusive licenses in favor of Novelis Corporation or any other Company from Logan or Tri-Arrows of ~~intellectual property~~ Intellectual Property owned by Logan or Tri-Arrows and subject to restrictions under the Logan Joint Venture Arrangement.

“**Logan Location**” shall mean the premises of Logan Aluminum Inc., Route 431, North Russellville, Kentucky 42276.

~~“**London Banking Day**” shall mean any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.~~

“**Management Fees**” shall have the meaning assigned to such term in Section 6.08(c)(C).

“**Mandated Lead Arrangers**” shall mean Australia and New Zealand Banking Group Limited, Axis Bank Limited, Bank of Baroda, Barclays Bank PLC, Citigroup Global Markets Asia Limited, ICICI Bank Limited and/or its Affiliates, ING Bank N.V., Singapore Branch, Kotak Mahindra Bank Limited, Standard Chartered Bank, State Bank of India and MUFG Bank, Ltd., in their capacities as Mandated Lead Arrangers and Bookrunners under this Agreement.

“**Margin Stock**” shall have the meaning assigned to such term in Regulation U.

“Material Adverse Effect” shall mean (a) a material adverse effect on the business, property, results of operations, or financial condition of the Loan Parties and their Restricted Subsidiaries, taken as a whole; (b) a material impairment of the ability of the Loan Parties to perform their payment and other material obligations under the Loan Documents; (c) a material impairment of the rights of or benefits or remedies available to the Lenders, the Collateral Agent or the Administrative Agent under the Loan Documents, taken as a whole; or (d)(i) a material adverse effect on the Revolving Credit Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(i) taken as a whole, or (ii) a material adverse effect on the Pari Passu Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(ii) taken as a whole.

“Material Indebtedness” shall mean (a) Indebtedness under the Revolving Credit Loan Documents and any Permitted Revolving Credit Facility Refinancings thereof, (b) the Permitted Short Term Indebtedness, (c) Indebtedness under the Senior Notes, the Additional Senior Secured Indebtedness, the Junior Secured Indebtedness and any Permitted Refinancings of any thereof in each case in an aggregate outstanding principal amount exceeding \$100,000,000 and (d) any other Indebtedness (other than the Loans and intercompany Indebtedness of the Companies permitted hereunder) of the Loan Parties in an aggregate outstanding principal amount exceeding \$100,000,000.

“Material Real Estate Asset” shall mean (i) each Mortgaged Property, and (ii) Real Property owned in fee by any Loan Party that is acquired by such Loan Party after the Closing Date or that is owned by such Loan Party at the time such Loan Party becomes a Loan Party and that, together with any improvements thereon, individually has a fair market value the Dollar Equivalent of which is at least \$10,000,000 (x) as of the date of acquisition thereof, (y) if the owning entity becomes a Loan Party after the Closing Date, as of the date such Person becomes a Loan Party, or (z) as of the date of substantial completion of any material improvement thereon or new construction thereof.

“Material Subsidiary” shall mean any Subsidiary of the Designated Company that is not an Immaterial Subsidiary.

“Maturity Date” shall mean (i) with respect to the Term Loans made on the Closing Date, the Initial Maturity Date, (ii) with respect to the Tranche A-1 Term Loans, the Tranche A-1 Maturity Date, (iii) with respect to any tranche of Other Term Loans (excluding the Term Loans made on the Closing Date and the Tranche A-1 Term Loans), the final maturity date as specified in the applicable Refinancing Amendment, (iv) with respect to the Aleris Incremental Term Loans, the Aleris Incremental Maturity Date, and (v) with respect to any Incremental Term Loans (other than the Aleris Incremental Term Loans), the final maturity date as specified in the applicable Increase Joinder; provided that if any such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

“Maximum Rate” shall have the meaning assigned to such term in Section 11.14.

“Maximum Revolving Credit Facility Amount” shall mean, at any time, an amount equal to the greater of (x) \$2,250,000,000 and (y) the Borrowing Base.

“Minimum Amount” shall mean an integral multiple of \$1,000,000 and not less than \$5,000,000.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Mortgage” shall mean an agreement, including, but not limited to, a mortgage, charge, deed of trust, deed of hypothec or any other document, creating and evidencing a Lien on a Mortgaged Property, which shall be substantially in the form of Exhibit J or, subject to the terms of the Intercreditor Agreement, other form reasonably satisfactory to the Collateral Agent, in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign law.

“Mortgaged Property” shall mean, subject to Section 5.15, (a) each Real Property identified as a Mortgaged Property on Schedule 8(a) to any Perfection Certificate dated the Closing Date, (b) each future Real Property covered by the terms of any Mortgage, and (c) each Real Property, if any, which shall be subject to a Mortgage (or other Lien created by a Security Document) delivered after the Closing Date pursuant to Section 5.11(c).

“Multiemployer Plan” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which any Company or any ERISA Affiliate is then making or accruing an obligation to make contributions; (b) to which any Company or any ERISA Affiliate has within the preceding six plan years made contributions; or (c) with respect to which any Company could incur liability.

“Net Cash Proceeds” shall mean:

(a) with respect to any Asset Sale, the cash proceeds received by Holdings, the Designated Company or any of its Restricted Subsidiaries (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) (including cash proceeds subsequently received (as and when received by Holdings, the Designated Company or any of its Restricted Subsidiaries or, on and after the Specified AV Minerals Joinder Date, AV Minerals) in respect of non-cash consideration initially received) net of (without duplication) (i) selling expenses (including reasonable brokers’ fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and the Designated Company’s good faith estimate of income taxes paid or payable in connection with such sale and repatriation Taxes that are or would be payable in connection with any sale by a Restricted Subsidiary); (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations associated with such Asset Sale or (y) any other liabilities retained by Holdings, the Designated Company or any of its Restricted Subsidiaries (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) associated with the properties sold in such Asset Sale (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); (iii) the Designated Company’s good faith estimate of payments required to be made with respect to unassumed liabilities relating to the properties sold within ninety (90) days of such Asset Sale (provided that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities within ninety (90) days of such Asset Sale, such cash proceeds shall constitute Net Cash Proceeds); (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money (other than the Revolving Credit Loans or the Loans) which is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such properties); and (v) so long as any Revolving Credit Loans remain outstanding, the proceeds of any Revolving Credit Priority Collateral of any Loan Party sold in such Asset Sale (which shall include, for the avoidance of doubt, the portion of the sale price of the Equity Interests or all or substantially all of the property, assets or business of any Restricted Subsidiary of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) consisting of the net book value of any such Revolving Credit Priority Collateral);

(b) with respect to any Debt Issuance or any Disqualified Capital Stock, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith;

(c) with respect to any issuance of Equity Interests (other than Preferred Stock) by Holdings, Designated Holdco, the Borrower or, on and after the Specified AV Minerals Joinder Date, AV Minerals, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith; and

(d) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of (i) all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event; and (ii) so long as any Revolving Credit Loans remain outstanding, any such cash insurance proceeds, condemnation awards and other compensation received in respect of Revolving Credit Priority Collateral of any Loan Party to the extent such amounts are required to be (and are) applied to the repayment of the Revolving Credit Loans pursuant to the terms of the Revolving Credit Agreement;

provided, however, that Net Cash Proceeds arising from any Asset Sale or Casualty Event by or applicable to a non-Wholly Owned Subsidiary (provided that Aleris German GP Holdco and each Subsidiary of Aleris Germany shall not be considered a non-Wholly Owned Subsidiary for purposes of this definition) shall equal the amount of such Net Cash Proceeds calculated as provided above less the percentage thereof equal to the percentage of any Equity Interests of such non-Wholly Owned Subsidiary not owned by Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals), the Designated Company and its Restricted Subsidiaries.

“Net Cash Proceeds Account” shall mean any Deposit Account or Securities Account established by any Co-Borrower or any Guarantor with one or more financial institutions which has a credit rating with respect to its long term unsecured debt of at least “A” by S&P or “A2” by Moody’s that (i) is subject to a Control Agreement, (ii) is subject to a First Priority security interest in favor of the Collateral Agent for the ratable benefit of the Secured Parties to secure the Secured Obligations and (iii) solely contains proceeds of Pari Passu Priority Collateral (and any products of such proceeds), and which has been designated in writing to the Revolving Credit Agents as a “Net Cash Proceeds Account” on or prior to the time that the Net Cash Proceeds from any sale of Pari Passu Priority Collateral shall be deposited therein, pending application of such proceeds (and any products of such proceeds) in accordance with the terms hereof.

“Net Working Capital” shall mean, at any time, Consolidated Current Assets at such time minus Consolidated Current Liabilities at such time.

“NKL” shall mean Novelis Korea Limited.

“NKL Share Repurchase” shall mean the repurchase by NKL of Equity Interests of NKL for cash consideration derived from all or a portion of the proceeds of the Ulsan Share Sale, which may be structured as a share cancellation, a reduction in par value, a share consolidation and reduction in share value, or any other legal structure resulting in the reduction of Equity Interests in NKL in exchange for cash consideration.

“Non-consolidated Affiliate” shall mean (a) Norf GmbH, MiniMRF LLC (Delaware), and Consorcio Candonga (unincorporated Brazil), in each case so long as they are not a Subsidiary of the Designated Company, (b) the Ulsan JV Subsidiary, solely to the extent that (i) such Person is not otherwise included in the consolidated financial results of the Designated Company and its Restricted Subsidiaries and (ii) the requirement set forth in clause (c)(ii) below remains true in respect of the Ulsan JV Subsidiary, and (c) any other Person formed or acquired

by the Designated Company or any of its Restricted Subsidiaries, in the case of this clause (c), so long as (i) such Person is not a Subsidiary of the Designated Company and (ii) the Designated Company owns, directly or indirectly, Equity Interests in such Restricted Subsidiary representing at least 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors (or equivalent governing body) of such Person.

“Non-consolidated Affiliate Debt” shall mean with respect to the Non-consolidated Affiliates, as of any date of determination and without duplication, the Consolidated Total Net Debt of the Non-consolidated Affiliates and their Subsidiaries (determined as if references to the Designated Company and the Restricted Subsidiaries in the definition of Consolidated Total Net Debt were references to Non-consolidated Affiliates and their Subsidiaries).

“Non-consolidated Affiliate EBITDA” shall mean with respect to the Non-consolidated Affiliates for any period, the amount for such period of Consolidated EBITDA of such Non-consolidated Affiliates and their Subsidiaries (determined as if references to the Designated Company and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to Non-consolidated Affiliates and their Subsidiaries); provided that Non-consolidated Affiliate EBITDA shall not include the Non-consolidated Affiliate EBITDA of Non-consolidated Affiliates if such Non-consolidated Affiliates are subject to a prohibition, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to the Designated Company or any Co-Borrower, to the extent of such prohibition.

“Non-Guarantor Subsidiary” shall mean each Subsidiary that is not a Guarantor.

“Non-Loan Party Jurisdiction” shall mean each country (including any state, province or other political subdivision thereof) other than (i) the United States, Canada, the United Kingdom, Switzerland and Germany, (ii) any other country in which a Loan Party is organized and (iii) any state, province or other political subdivision of the foregoing.

“Non-Principal Jurisdiction” shall mean each country in which a Loan Party is organized (and any state, province or other political subdivision thereof) other than (i) the United States, Canada, the United Kingdom, Switzerland, Belgium, the Netherlands and Germany, (ii) any other country in which a Loan Party is organized in respect of which Accounts are included in the borrowing base for purposes of the Revolving Credit Agreement and (iii) any state, province or other political subdivision of the foregoing clauses (i) and (ii).

“Norf GmbH” shall mean Aluminium Norf GmbH, a limited liability company (GmbH) organized under the laws of Germany.

“Notes” shall mean any notes evidencing the Terms Loans issued pursuant to this Agreement, if any, substantially in the form of Exhibit K.

“Novelis Acquisitions” shall mean Novelis Acquisitions LLC, a Delaware limited liability company.

“Novelis AG” shall mean Novelis AG, a stock corporation (AG) organized under the laws of Switzerland.

“Novelis AG Cash Pooling Agreement” shall mean a Cash Management Agreement entered into among Novelis AG and certain “European Affiliates” (as identified therein) dated 1 February 2007, together with all ancillary documentation thereto.

“Novelis Corporation” shall mean Novelis Corporation, a Texas corporation.

“**Novelis Inc.**” shall mean Novelis Inc., a corporation amalgamated under the Canada Business Corporations Act.

“**Novelis Switzerland**” shall mean Novelis Switzerland SA, a company organized under the laws of Switzerland.

“**Obligation Currency**” shall have the meaning assigned to such term in Section 11.18(a).

“**Obligations**” shall mean (a) obligations of the Co-Borrowers and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing (and interest that would have accrued but for such proceeding) during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including obligations under the Guarantees and fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Co-Borrowers and the other Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Co-Borrowers and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents. The Obligations shall not include any Excluded Swap Obligations. Without limiting any of the foregoing, the Obligations shall include each Borrower’s and each Guarantor’s obligations to pay, discharge and satisfy any Erroneous Payment Subrogation Rights.

“**OFAC**” shall have the meaning assigned to such term in Section 3.22.

“**Offer Price**” shall have the meaning set forth in the definition of “Discounted Purchase”.

“**Officer’s Certificate**” shall mean a certificate executed by a Responsible Officer in his or her official (and not individual) capacity.

“**Organizational Documents**” shall mean, with respect to any person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or equivalent or comparable constitutional documents with respect to any non-U.S. jurisdiction) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person and (v) in any other case, the functional equivalent of the foregoing.

“**Other Connection Taxes**” shall mean, with respect to the Agents, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Co-Borrower hereunder, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” shall mean all present or future stamp, recording, court or documentary, excise, transfer, sales, property, intangible, filing or similar Taxes arising from any payment made hereunder or under any other Loan Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.16(c)).

“Other Term Loan Commitments” shall mean one or more Classes of Term Loan commitments hereunder that result from a Refinancing Amendment.

“Other Term Loans” shall mean one or more Classes of Term Loans that result from a Refinancing Amendment.

“Pari Passu Priority Collateral” shall mean all “Pari Passu Priority Collateral” as defined in the Intercreditor Agreement.

“Participant” shall have the meaning assigned to such term in Section 11.04(d).

“Participant Register” shall have the meaning assigned to such term in Section 11.04(c).

“Participating Member States” shall mean the member states of the European Communities that adopt or have adopted the euro as their lawful currency in accordance with the legislation of the European Union relating to European Monetary Union.

“Party” shall mean any party to this Agreement.

“Patriot Act” shall have the meaning assigned to such term in Section 11.13.

“Payment Recipient” shall have the meaning assigned to it in Section 10.14(a).

“PBGC” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“Pensions Regulator” shall mean the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.

“Perfection Certificate” shall mean, individually and collectively, as the context may require, each certificate of a Loan Party in the form of Exhibit L-1 or any other form approved by the Collateral Agent in its sole discretion, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

“Perfection Certificate Supplement” shall mean a certificate supplement in the form of Exhibit L-2 or any other form approved by the Collateral Agent.

“Permitted ABL Customer Account Financing Amendment” shall have the meaning assigned to such term in Section 1.10.

“Permitted Acquisition” shall mean any Acquisition, if each of the following conditions is met:

- (i) no Default is then continuing or would result therefrom;

(ii) no Company shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness of the related seller or the business, person or properties acquired, except to the extent permitted under Section 6.01, and any other such Indebtedness not permitted to be assumed or otherwise supported by any Company hereunder shall be paid in full or released as to the business, persons or properties being so acquired on or before the consummation of such acquisition;

(iii) the person or business to be acquired shall be, or shall be engaged in, a business of the type that the Loan Parties and the Subsidiaries are permitted to be engaged in under Section 6.15, and the person or business and any property acquired in connection with any such transaction shall be free and clear of any Liens, other than Permitted Liens;

(iv) the Board of Directors of the person to be acquired shall not have indicated publicly its opposition to the consummation of such acquisition (which opposition has not been publicly withdrawn);

(v) all transactions in connection therewith shall be consummated in all material respects in accordance with all applicable Requirements of Law;

(vi) with respect to any transaction involving Acquisition Consideration of more than \$50,000,000, unless the Administrative Agent shall otherwise agree, the Designated Company shall have provided the Administrative Agent written notice on or before the consummation of such transaction, which notice shall describe (A) in reasonable detail the terms and conditions of such transaction and the person or business to be acquired and (B) all such other information and data relating to such transaction or the person or business to be acquired as may be reasonably requested by the Administrative Agent;

(vii) the property acquired in connection with any such Acquisition shall, subject to any Permitted Liens, be made subject to the Lien of the Security Documents, and any person acquired in connection with any such transaction shall become a Guarantor, in each case, to the extent required under, and within the relevant time periods provided in, Section 5.11;

(viii) with respect to any transaction involving Acquisition Consideration that, when added to the fair market value of Equity Interests, including Equity Interests of Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals), constituting purchase consideration, exceeds \$50,000,000, the Designated Company shall have delivered to the Administrative Agent an Officers' Certificate on or prior to the consummation of such transaction certifying that (A) such transaction complies with this definition and (B) such transaction could not reasonably be expected to result in a Material Adverse Effect;

(ix) [intentionally omitted];

(x) if any Person so acquired (or any Subsidiary of such Person) is not required to become a Loan Party pursuant to Section 5.11, the Acquisition Consideration payable for such Person (or the portion thereof attributable or allocated by the Designated Company in good faith to each such Subsidiary) in connection with such Acquisition, and all other Acquisitions of non-Loan Parties consummated after the Closing Date shall not, unless, on the date of such Acquisition, the Senior Secured Net Leverage Ratio, determined on a Pro Forma Basis, after giving effect to such Acquisition shall be no greater than 3.00 to 1.00 determined on the basis of the financial information most

recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or (b) as though such Acquisition had been consummated as of the first day of the fiscal period covered thereby, exceed an amount equal to the greater of (x) 2.0% of Consolidated Net Tangible Assets and (y) \$100,000,000 in the aggregate since the Closing Date (provided that such amounts can be exceeded to the extent of Investments made pursuant to Section 6.04(r));

(xi) immediately after giving effect to such Acquisition (other than Acquisitions where the amount of the Acquisition Consideration plus the fair market value of any Equity Interests which constitutes all or a portion of the purchase price is less than \$15,000,000), the Designated Company shall, on a Pro Forma Basis, be in compliance with the Financial Performance Covenant, such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or (b) (or for periods prior to the delivery of such financial information for a four fiscal quarter period, based on financial information filed with the United States Securities and Exchange Commission) as though such Acquisition and all other Specified Transactions consummated after the applicable four quarter period and on or prior to the relevant date of determination had been consummated as of the first day of the fiscal period covered thereby;

(xii) with respect to any transaction involving Acquisition Consideration of more than \$50,000,000, the Designated Company shall have delivered a certificate from a Financial Officer of the Designated Company on or prior to the consummation of such transaction (A) as to the matters set forth in clause (i) above and (B) demonstrating its compliance with clause (xi) above, and (C) to the extent the person so acquired is not required to become a Loan Party hereunder pursuant to Section 5.11, demonstrating compliance with clause (x) above, and in each case accompanied by compliance calculations in reasonable detail.

“**Permitted Aleris Foreign Subsidiary Transfer**” shall mean, on or after the Aleris Acquisition Closing Date:

(a) the sale, Distribution, contribution or other transfer of the Equity Interests in any Subsidiary of Aleris organized in a jurisdiction outside of the United States of America (each, a “**Transferred Aleris Foreign Subsidiary**”) (x) from a Loan Party to any Loan Party other than Aleris or any Subsidiary of Aleris (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party (which may include Aleris or any Restricted Subsidiary of Aleris) to effect such sale, Distribution, contribution or transfer) or (y) in the case of Equity Interests in an entity that would not be required to become a Loan Party pursuant to the terms hereof after giving effect to such transfer, from a Loan Party to any other Company (other than Aleris or any Subsidiary of Aleris) organized in the same jurisdiction as the issuer of such Equity Interests (it being agreed, for this purpose, that Hong Kong and the People’s Republic of China are the same jurisdiction so long as an entity organized under the laws of Hong Kong would not be a Subsidiary of an entity organized under the laws of the People’s Republic of China after giving effect to such transfer) (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party (which may include Aleris or any Restricted Subsidiary of Aleris) to effect such sale, Distribution, contribution or transfer);

(b) the sale, Distribution, contribution or other transfer of:

(i) no more than 12.5% of the aggregate amount of Voting Stock and other Equity Interests in each of Novelis Aluminium Holdings Unlimited and/or Aleris Germany plus one additional share of such Voting Stock to AV Minerals (and, in each case, any

substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party to effect such sale, Distribution, contribution or other transfer); provided that, (x) prior to the consummation of any such transaction, AV Minerals shall have become a Guarantor by executing a Joinder Agreement (the “**Specified AV Minerals Joinder**”), and (y) AV Minerals shall have executed and delivered (or caused to be executed and delivered) both at the time that AV Minerals becomes a Guarantor and at any time that AV Minerals acquires Equity Interests in accordance with this clause (i), all other Loan Documents (including all applicable Security Documents or supplements or joinders thereto), certificates, opinions and other closing deliverables consistent with the Loan Documents, certificates, opinions and other closing deliverables delivered by the Loan Parties on the Closing Date and the Effective Date, each in form and substance reasonably satisfactory to the Administrative Agent and, in the case of each such Security Document, the Collateral Agent, and take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent in connection therewith, including to cause the Lien created by the applicable Security Documents to be a duly perfected First Priority Lien in accordance with all applicable Requirements of Law, and the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent (the date such agreements and the Specified AV Minerals Joinder are effective, the “**Specified AV Minerals Joinder Date**”); or

(ii) 100% of the aggregate amount of Voting Stock and other Equity Interests in Aleris Germany to Novelis Aluminium Holdings Unlimited (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party to effect such sale, Distribution, contribution or other transfer); provided that, Novelis Aluminium Holdings Unlimited shall have executed and delivered (or caused to be executed and delivered) at any time that it acquires Equity Interests in accordance with this clause (ii), all other Loan Documents (including all applicable Security Documents or supplements or joinders thereto), certificates, opinions and other closing deliverables consistent with the Loan Documents, certificates, opinions and other closing deliverables delivered by the Loan Parties on the Closing Date and the Effective Date, each in form and substance reasonably satisfactory to the Administrative Agent and, in the case of each such Security Document, the Collateral Agent, and take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent in connection therewith, including to cause the Lien created by the applicable Security Documents to be a duly perfected First Priority Lien in accordance with all applicable Requirements of Law, and the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent; and

(c) if applicable in connection with any of the transactions described in clauses (a) or (b) above, as consideration for such sale, Distribution, contribution or other transfer of such Equity Interests, the issuance of one or more Intercompany Notes to the Loan Party that sold, Distributed, contributed or otherwise transferred such Equity Interests;

provided that:

(i) any such sale, Distribution, contribution or other transfer of such Equity Interests shall occur within one year of the Aleris Acquisition Closing Date (or such later date agreed by the Administrative Agent); provided that any Intercompany Note issued in connection therewith shall be issued substantially concurrently with the consummation of such sale, Distribution, contribution or other transfer of such Equity Interests;

(ii) any such Equity Interests transferred to a Loan Party are, subject to the terms of the Intercreditor Agreement and any limitations on such pledge pursuant to the definition of Excluded Property, or any other limitations set forth in the applicable Security

Agreement, pledged in favor of the Collateral Agent to secure the Secured Obligations and, to the extent certificated, the certificates representing such Equity Interests are delivered to the Collateral Agent, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party, no later than the date that is 10 Business Days after the date of such sale, Distribution, contribution or other transfer of such Equity Interests (or such later date agreed by the Administrative Agent);

(iii) the obligations under each Intercompany Note issued in connection with any step of a Permitted Aleris Foreign Subsidiary Transfer shall be subordinated to the Secured Obligations (to the extent evidencing a payment obligation of a Loan Party) on terms reasonably satisfactory to the Administrative Agent and shall constitute Subordinated Indebtedness hereunder, and each such Intercompany Note received by a Loan Party shall, subject to the terms of the Intercreditor Agreement, be pledged in favor of the Collateral Agent to secure the Secured Obligations, and such Intercompany Notes shall be delivered to the Collateral Agent, together with an allonge or other instrument of transfer executed and delivered in blank by a duly authorized officer of such Loan Party, no later than the date that is 10 Business Days after the date the Intercompany Note is issued (or such later date agreed by the Administrative Agent); and

(iv) any sale, Distribution, contribution or other transfer of Equity Interests of a Transferred Aleris Foreign Subsidiary to a Restricted Grantor (other than a Transferred Aleris Foreign Subsidiary transferred to a Restricted Grantor organized in the same jurisdiction as the Transferred Aleris Foreign Subsidiary) shall be conditioned on either the creation of a newly formed Unrestricted Grantor or the existence of an Unrestricted Grantor, in each case that (A) (x) is directly 100% owned by such Restricted Grantor after giving effect to such transaction and that (y) directly owns 100% of such Transferred Aleris Foreign Subsidiary after giving effect to such transaction; provided that, in the case of this clause (y), if such Transferred Aleris Foreign Subsidiary is an Aleris German Non-Wholly Owned Subsidiary, (1) the Tulip Foundation may continue to directly or indirectly own Equity Interests in such Aleris German Non-Wholly Owned Subsidiary so long as the Tulip Conditions are satisfied at all times and (2) any other Aleris German Non-Wholly Owned Subsidiary that owns such Transferred Aleris Foreign Subsidiary prior to the occurrence of such transfer may continue to own Equity Interests in such Transferred Aleris Foreign Subsidiary, (B) has complied with the Joinder Requirements and (C) shall not be permitted to own, on and after the date of such action, any assets other than the Permitted Holding Company Assets.

“Permitted Customer Account Financing Amendment Conditions” shall mean, with respect to each amendment to the definition of Permitted Customer Account Financing effected pursuant to Section 1.10, each of the following:

(a) Holdings or the Designated Company shall have executed and delivered a certificate to the Administrative Agent, no later than two Business Days after the date that any Permitted ABL Customer Account Financing Amendment becomes effective, attaching a certified copy of such Permitted ABL Customer Account Financing Amendment, and certifying that the terms of such Permitted ABL Customer Account Financing Amendment comply with the requirements set forth in clauses (b) through (d) below;

(b) the terms of such amendment shall not expand the scope of the Collateral permitted to be released in connection with any Permitted Customer Account Financing, which Collateral shall be limited to Factoring Assets that are sold in connection with (or that otherwise secure) such Permitted Customer Account Financing, it being understood that factoring additional Accounts of additional Account Debtors shall not constitute an expansion of the scope for purposes of this clause (b);

(c) such amendment shall relate solely to the factoring of Accounts of customers of the Loan Parties in connection with a Permitted Customer Account Financing, and the creation of Liens on Factoring Assets that secure such Permitted Customer Account Financing; and

(d) such amendment shall not otherwise adversely affect the Secured Parties or contravene the terms of the Intercreditor Agreement.

“Permitted Customer Account Financing” shall mean a financing or other transaction of the type permitted by Section 6.01(e) or 6.06(e) with respect to Accounts of one or more Loan Parties; provided that (i) no Default exists or would result therefrom and the representations and warranties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date thereof (or, in the case of any representation or warranty that is qualified as to materiality, “Material Adverse Effect” or similar language, in all respects), with the same effect as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or, in the case of any representation or warranty that is qualified as to materiality, “Material Adverse Effect” or similar language, in all respects) as of such earlier date, (ii) the number of Account Debtors whose Accounts are at any time subject to Permitted Customer Account Financings shall be limited to seven; provided that all Affiliates of an Account Debtor shall be deemed to be a single Account Debtor for purposes of this definition, and (iii) Accounts subject to a Permitted Customer Account Financing must be capable of being fully segregated from other Accounts (including with respect to accounts receivable reporting, purchase orders, invoicing, and payments); provided, further, that notwithstanding any provision of Section 11.02, the Agents are hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary or appropriate in the judgment of the Administrative Agent to reflect such Permitted Customer Account Financing.

“Permitted Factoring Facility” shall mean a sale of Receivables on a discounted basis by any Company, so long as (i) no Loan Party has any obligation, contingent or otherwise in connection with such sale (other than to deliver the Receivables purported to be sold free and clear of any encumbrance and other than as permitted by Section 6.04(n)), and (ii) such sale is for cash and fair market value.

“Permitted First Priority Refinancing Debt” shall mean any secured Indebtedness incurred by any Loan Party in the form of one or more series of senior secured notes under one or more indentures; provided that (i) such Indebtedness is secured by the Collateral (or a portion thereof) on a pari passu basis (but without regard to the control of remedies, which shall be as set forth in the Intercreditor Agreement) with the Secured Obligations and is not secured by any property or assets other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans), (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption or prepayment (except customary asset sale or change of control provisions, which asset sale provisions may require the application of proceeds of asset sales and casualty events co-extensive with those set forth in Section 2.10(c) and 2.10(e), as applicable, to make mandatory prepayments or prepayment offers out of such proceeds on a pari passu basis with the Secured Obligations, all other Permitted First Priority Refinancing Debt and all Additional Senior Secured Indebtedness), in each case prior to the date that is 181 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iv) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (v) such Indebtedness is not guaranteed by any Persons other than the Loan Parties, (vi) the other terms and conditions of such Indebtedness (excluding pricing, premiums and optional prepayment or optional redemption provisions) are customary market terms for securities of such type (provided that such terms

shall in no event include any financial maintenance covenants) and, in any event, when taken as a whole, are not materially more favorable to the investors providing such Indebtedness than the terms and conditions of the applicable Refinanced Debt (except with respect to any terms (including covenants) and conditions contained in such Indebtedness that are applicable only after the then Latest Maturity Date) (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Designated Company has determined in good faith that such terms and conditions satisfy the requirement of this clause (vi) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Designated Company within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)), (vii) no Default shall exist immediately prior to or after giving effect to such incurrence and (viii) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Intercreditor Agreement. Permitted First Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Permitted Fiscal Unity Liability” shall mean any joint and several liability arising as a result of an Loan Party being a member of a fiscal unity permitted under Section 3.31.

“Permitted German Alternative Financing” shall mean a financing or other transaction of the type permitted by Section 6.01(e), 6.01(m), 6.06(e), or 6.06(r) with respect to Accounts or Inventory of one or more German Guarantors; provided that (i) no Default exists or would result therefrom and the representations and warranties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date thereof, with the same effect as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date, (ii) from and after the date of any Permitted German Alternative Financing, the amount of the German Borrowing Base (as defined in the Revolving Credit Agreement) shall be deemed to be zero, and availability under the Swiss Borrowing Base (as defined in the Revolving Credit Agreement) in respect of Accounts sold pursuant to a German Receivables Purchase Agreement shall be deemed to be zero, (iii) on or prior to the date of any Permitted German Alternative Financing, Novelis Deutschland GmbH shall have prepaid all of its outstanding loans under the Revolving Credit Agreement in full in cash, in accordance with the terms thereof, (iv) from and after the date of any Permitted German Alternative Financing, Novelis Deutschland GmbH shall not be permitted to request or borrow any loans under the Revolving Credit Agreement and shall be deemed no longer to be a borrower thereunder, and (v) the applicable Loan Parties shall have terminated the German Receivables Purchase Agreement; and provided, further, that notwithstanding any provision of Section 11.02, the Agents are hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary or appropriate in the judgment of the Administrative Agent to reflect such Permitted German Alternative Financing.

“Permitted Holding Company Assets” shall mean for any Person (i) Deposit Accounts; provided that the aggregate amount on deposit in such accounts at the end of each day shall not exceed \$1,000,000 (or the equivalent thereof); provided, further, that, so long as no Default is then continuing, the amount on deposit in such accounts may exceed such amount if such deposits are applied to settle an Investment permitted under Section 6.04 within three Business Days of the deposit therein, (ii) Equity Interests in Subsidiaries pledged under Security Documents, (iii) intangible rights required to exist and do business as a holding company, and (iv) rights under contracts and licenses with Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) and its Subsidiaries permitted hereunder; provided, that Permitted Holding Company Assets shall not include (x) any Intellectual Property (other than customary inbound licenses to use Intellectual Property of the Companies necessary to operate

the business of such Person) or (y) any other contracts or licenses that are material to the business of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) and its Subsidiaries, taken as a whole.

“Permitted Holdings Amalgamation” shall mean the amalgamation, merger or combination through a plan of arrangement (such amalgamation, merger or combination through a plan of arrangement referred to in this definition as an **“amalgamation”**) of ~~Holdings~~ AV Metals and the Borrower on a single occasion following the Closing Date; provided that (i) no Default exists or would result therefrom and the representations and warranties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of the amalgamation, with the same effect as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the survivor of such amalgamation shall be Novelis Inc. (such surviving person, the **“Successor Borrower”**), and the Successor Borrower shall expressly confirm its obligations as Borrower under this Agreement and the other Loan Documents to which Borrower is a party pursuant to a confirmation in form and substance reasonably satisfactory to the Administrative Agent, (iii) immediately upon consummation of such amalgamation, (x) if such amalgamation occurs prior to the Designated Holdco Effective Date, AV Minerals, or (y) if such amalgamation occurs prior to the Designated Holdco Effective Date and prior to the commencement of the Permitted Reorganization, a new holding company with no material assets other than Equity Interests in the Successor Borrower (such Person described in clause (x) or (y), **“Successor Holdings”**), shall (A) be, (1) in the case of AV Minerals, organized under the laws of the Netherlands, or (2) in the case of any other holding company, organized under the laws of the Netherlands, England and Wales, Canada, or a province or territory of Canada, (B) directly own 100% of the Equity Interests in the Successor Borrower; provided that, if such amalgamation occurs on or after the Designated Holdco Effective Date, then Designated Holdco shall directly own 100% of the Equity Interests in the Successor Borrower and AV Minerals shall own 100% of the Equity Interests of Designated Holdco, (C) execute a supplement or joinder to this Agreement in form and substance reasonably satisfactory to the Administrative Agent to become a Guarantor and execute Security Documents (or supplements or joinder agreements thereto) in form and substance reasonably satisfactory to the Administrative Agent, and take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Documents to be a duly perfected First Priority Lien in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent, and to assume and confirm its obligations as “Holdings” under this Agreement and the other Loan Documents and (D) subject to the terms of the Intercreditor Agreement, pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests owned by Successor Holdings, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of Successor Holdings, (iv) be in compliance with all covenants and obligations of “Holdings” (and, on and after the Designated Holdco Effective Date, Designated Holdco) under this Agreement, (v) immediately after giving effect to any such amalgamation, the Senior Secured Net Leverage Ratio is not greater than the Senior Secured Net Leverage Ratio immediately prior to such amalgamation, which shall be evidenced by a certificate from the chief financial officer of the Borrower demonstrating such compliance calculation in reasonable detail, (vi) the Successor Borrower shall have no Indebtedness after giving effect to the Permitted Holdings Amalgamation other than Indebtedness of the Borrower in existence immediately prior to the consummation of the Permitted Holdings Amalgamation, (vii) each other Guarantor, shall have by a confirmation in form and substance reasonably satisfactory to the Administrative Agent, confirmed that its guarantee of the Guaranteed Obligations (including its Guarantee) shall apply to the Successor Borrower’s obligations under this Agreement, (viii) the Borrower and each other Guarantor shall have by confirmations and any required supplements to the applicable

Security Documents reasonably requested by the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent, confirmed that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement and the other Loan Documents and (ix) each Loan Party shall have delivered opinions of counsel and related officers' certificates reasonably requested by the Administrative Agent with respect to the execution and delivery and enforceability of the documents referred to above and the compliance of such amalgamation with the provisions hereof, and all such opinions of counsel shall be satisfactory to the Administrative Agent; and provided, further, that (x) if the foregoing are satisfied, Successor Holdings will be substituted for and assume all obligations of AV Metals under this Agreement and each of the other Loan Documents and all references hereunder and under the other Loan Documents to Holdings shall be references to the such Person, and all references hereunder and under the other Loan Documents to the Borrower shall be references to the Successor Borrower and (y) notwithstanding any provision of Section 11.02, the Administrative Agent is hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary to reflect such changes in the parties to the applicable Loan Documents.

"Permitted Holdings Indebtedness" shall mean unsecured Indebtedness of Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) (i) with respect to which neither the Designated Company nor any Subsidiary has any Contingent Obligation, (ii) that will not mature prior to the 180th day following the Latest Maturity Date, (iii) that has no scheduled amortization of principal prior to the 180th day following the Latest Maturity Date, (iv) that does not require any payments in cash of interest or other amounts in respect of the principal thereof (other than optional redemption provisions customary for senior discount or "pay-in-kind" notes) for a number of years from the date of issuance or incurrence thereof equal to at least one-half of the term to maturity thereof, (v) that has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior discount or "pay-in-kind" notes of an issuer that is the parent of a borrower under senior secured credit facilities and (vi) that is issued to a person that is not an Affiliate of the Designated Company or any of Holdings' (or, on and after the Specified AV Minerals Joinder Date, AV Minerals') Subsidiaries in an arm's-length transaction on fair market terms; provided that at least five Business Days prior to the incurrence of such Indebtedness, a Responsible Officer of Holdings (in the case of Indebtedness incurred by Holdings) (or, on and after the Specified AV Minerals Joinder Date, AV Minerals, in the case of Indebtedness incurred by AV Minerals) shall have delivered a certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"Permitted Liens" shall have the meaning assigned to such term in Section 6.02.

"Permitted Novelis Switzerland Financing" shall mean a financing or other transaction of the type permitted by Section 6.01(e) or 6.06(e) with respect to any Accounts of Novelis Switzerland; provided that (i) after giving effect to such financing, no Accounts of Novelis Switzerland shall be included in the borrowing base for purposes of the Revolving Credit Agreement, and (ii) no Default exists or would result therefrom and the representations and warranties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date thereof, with the same effect as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date and provided, further, that notwithstanding any provision of Section 11.02, the Agents are hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary or appropriate in the judgment of the Administrative Agent to reflect such Permitted Novelis Switzerland Financing.

"Permitted Prepayments" shall have the meaning assigned to such term in Section 6.11.

“Permitted Refinancing” shall mean, with respect to any person, any refinancing or renewal of any Indebtedness of such person; provided that (a) the aggregate principal amount (or accreted value, if applicable) of the Indebtedness incurred pursuant to such refinancing or renewal does not exceed the aggregate principal amount (or accreted value, if applicable) of the Indebtedness so refinanced or renewed except by an amount equal to unpaid accrued interest and premium thereon and any make-whole payments applicable thereto plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal and by an amount equal to any existing commitments unutilized thereunder (it being understood that the aggregate principal amount (or accreted value, if applicable) of the Indebtedness being incurred may be in excess of the amount permitted under this clause (a) to the extent such excess does not constitute a Permitted Refinancing and is otherwise permitted under Section 6.01), (b) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being refinanced or renewed (excluding the effects of nominal amortization in the amount of no greater than one percent per annum and prepayments of Indebtedness), (c) no Default is then continuing or would result therefrom, (d) the persons that are (or are required to be) obligors under such refinancing or renewal do not include any person that is not (or is not required to be) an obligor under the Indebtedness being so refinanced or renewed (or, in the case of a Permitted Refinancing of the Senior Notes, such obligors are Loan Parties (other than Holdings and AV Minerals)) and (e) the subordination provisions thereof (if any) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Indebtedness being so refinanced or renewed; provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of the Designated Company shall have delivered an Officers’ Certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Designated Company has determined in good faith that such terms and conditions satisfy the foregoing requirements.

“Permitted Reorganization” shall mean, at any time prior to a Qualified Borrower IPO, an internal reorganization of Holdings and its Subsidiaries to effect any or all of the Permitted Reorganization Actions, subject to the following terms and conditions; provided that the Permitted Reorganization shall not occur if the Permitted Holdings Amalgamation occurs and AV Minerals is not Successor Holdings:

(a) both immediately before and immediately after giving effect to each step of the Permitted Reorganization, and at all times during the Permitted Reorganization:

- (i) the Permitted Reorganization, each Permitted Reorganization Action, and each step taken in furtherance of the Permitted Reorganization and of each Permitted Reorganization Action, shall not reduce or impair the value or benefit of the Guarantee, any Foreign Guarantee, or the Collateral; provided that (x) the re-starting of any fraudulent conveyance, fraudulent transfer, preference or hardening period with respect to any Guarantee, Foreign Guarantee or Lien under applicable Requirements of Law and (y) any limitations under the laws of Switzerland with respect to the enforcement of any share pledge with respect to the Equity Interests directly held by Novelis AG, Novelis Switzerland SA or the Surviving Swiss Subsidiary, as applicable, following any sale, Distribution or other transfer described under clause (f) or (h) of the definition of Permitted Reorganization Actions shall not, in itself, constitute a reduction or impairment for purposes of this clause (a);

- (ii) no Default shall have occurred and be continuing or would result therefrom, and each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document (other than Hedging Agreements) shall be true and correct in all material respects on and as of the date of such step of the Permitted Reorganization with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date, and a Responsible Officer of the Designated Company (after giving effect to such step of the Permitted Reorganization) shall have provided an Officer's Certificate certifying as to the matters in clause (a)(i) and this clause (a)(ii);
- (iii) no Person involved in any step of the Permitted Reorganization that is not a Loan Party, solely for the period of time that such Person is not a Loan Party, shall hold or own any Collateral or any assets that constituted Collateral immediately prior to or during such step of the Permitted Reorganization;
- (iv) any Collateral shall remain subject to (or, in the case of Collateral created as part of any step of the Permitted Reorganization, shall become subject to, at or prior to the time such step is effected) a duly perfected Lien in favor of the Collateral Agent in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Collateral Agent, in each case in accordance with the terms of the Loan Documents (without regard to any time periods provided for herein or therein);
- (v) the Guarantee and each Foreign Guarantee shall continue to be effective and fully enforceable in accordance with its terms, it being understood that a Loan Party shall not be in violation of this clause (v) solely as a result of its amalgamation, consolidation, merger or dissolution with and into another Loan Party so long as such amalgamation, consolidation or merger complies with the requirements of Section 6.05(c); and
- (vi) notwithstanding the foregoing, the Administrative Agent may reasonably require that any Loan Party enter into a new Guarantee, Foreign Guarantee, and new Security Documents, as applicable, or reaffirmations of any of the foregoing, in each case in form and substance reasonably satisfactory to the Administrative Agent, in connection with any step of the Permitted Reorganization, in order to reaffirm, preserve or otherwise give effect to the foregoing requirements;

(b) [intentionally omitted];

(c) the Borrower shall have provided all notices and certificates required to be delivered, within the time period required to be delivered, to the applicable Agent under the applicable Loan Documents in order to consummate each step of the Permitted Reorganization; provided that, without limiting the notice requirements in this definition, the Administrative Agent may waive in writing in advance any such notice period with respect to such step, and each Lender hereby authorizes the Administrative Agent to waive any such notice period;

(d) the Permitted Reorganization shall be completed no later than the close of business on the one year anniversary of the date that the Companies commence the first step of the Permitted Reorganization (without regard to the formation of Designated Holdco, for so long as Designated Holdco does not own any Equity Interests in any Loan Party or any other Subsidiary) or such longer period as may be agreed to by the Administrative Agent in its sole discretion;

(e) prior to commencing any step of the Permitted Reorganization, each step of the Permitted Reorganization shall be permitted under the documents evidencing Material Indebtedness;

(f) [intentionally omitted];

(g) no later than the date that is five Business Days prior to the date that each step of the Permitted Reorganization is commenced (or such later date agreed to by the Administrative Agent), the Designated Company shall have delivered to the Administrative Agent a certificate from a Financial Officer of the Designated Company setting forth the commencement date of such step of the Permitted Reorganization, and certifying that all actions taken in connection with such step comply with the terms of this definition, the definition of Permitted Reorganization Actions, and the terms of the Loan Documents; provided that the first certificate delivered pursuant to this clause (g) shall also state that the step (or steps) described in such certificate constitute the commencement of the Permitted Reorganization, and shall state the date by which the Permitted Reorganization must be completed in accordance with clause (d) above;

(h) in the case of AV Minerals, Designated Holdco, and each new Subsidiary amalgamated, created or otherwise formed as part of any step of the Permitted Reorganization, such Person shall become a Loan Party (in the case of any Subsidiary of Designated Holdco other than the Co-Borrowers, Novelis Acquisitions and Aleris, solely to the extent required under Section 5.11 or otherwise in order to comply with the other clauses of this definition and the definition of Permitted Reorganization Actions) pursuant to the terms of the Loan Documents (without regard to any time periods provided for herein or therein) and shall become party to and/or execute and deliver the Guarantee, each applicable Foreign Guarantee, and each applicable Security Document, at or prior to the time such step is effected;

(i) [intentionally omitted];

(j) [intentionally omitted];

(k) notwithstanding any other provision in any Loan Document to the contrary, the Loan Parties shall gross-up and otherwise indemnify each Agent and each other Secured Party for all Taxes incurred by such Agent or Secured Party as a result of the Permitted Reorganization or any step thereof (including any such Taxes arising after the consummation of any step of the Permitted Reorganization, whether as a result of a Person becoming Holdings or otherwise), and this Agreement shall be amended as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent (and implemented pursuant to documentation agreed by the Administrative Agent, the Collateral Agent and the Designated Company, such agreement not to be unreasonably withheld), to give effect to such gross-up and indemnification (including the addition of gross-up and indemnification provisions applicable, in the reasonable opinion of the Administrative Agent, to implement such gross up and indemnity obligations); provided, however, that solely for purposes of this clause (k), "Taxes" shall not include any (i) Taxes imposed on or measured by overall net income (however denominated), franchise Taxes (in lieu of net income taxes), and branch profits Taxes, in each case, (x) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any

political subdivision thereof) or (y) that are Other Connection Taxes, (ii) Taxes attributable to such recipient's failure to comply with Section 2.15(e), and (iii) any U.S. federal withholding Taxes imposed under FATCA;

(l) prior to or concurrently with the consummation of each step of the Permitted Reorganization, the Loan Parties shall deliver or cause to be delivered:

- (i) all documents reasonably requested by the Administrative Agent in connection with the Permitted Reorganization and/or such step thereof, including, but not limited to, documents consistent with those described in Sections 4.01(k), 4.02(b), (c), (d), (g) through (n), and Schedule 5.15, in each case in form and substance reasonably acceptable to the Administrative Agent; and
- (ii) favorable written opinions of Torys, LLP (or other nationally recognized U.S. counsel for the Loan Parties) and each local and foreign counsel of the Loan Parties (or, in the case of Loan Documents governed by or entities organized under the laws of the United Arab Emirates or the Dubai International Financial Centre, counsel to the Administrative Agent and the Collateral Agent), in each case reasonably requested by the Administrative Agent, in each applicable jurisdiction and addressed to the Agents and the Lenders, covering such matters relating to the Loan Documents and the Permitted Reorganization and/or such step thereof as the Administrative Agent shall reasonably request, and in each case in form and substance reasonably satisfactory to the Administrative Agent, including, but not limited to, opinions covering:
 - (1) creation or continued validity and perfection of the Guarantees, the Foreign Guarantees, or the Collateral after giving effect to such step of the Permitted Reorganization;
 - (2) enforceability of all Loan Documents, and confirmation or similar opinions as to the validity and enforceability of the Guarantees and the Foreign Guarantees and all Security Documents;
 - (3) validity of debt claims in connection with all Loans and all Guarantees and Foreign Guarantees; and
 - (4) no conflict with organizational documents, Requirements of Law and any documents evidencing Material Indebtedness;

(m) notwithstanding any other provision in any Loan Document to the contrary, the Administrative Agent, the Collateral Agent and the Designated Company may make (and the Administrative Agent and the Collateral Agent are hereby authorized by the Lenders to make) such amendments, restatements and other modifications to the Loan Documents (other than the definition of Permitted Reorganization except to the extent provided for therein) as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, the Collateral Agent, and the Designated Company, to effect the terms of the Permitted Reorganization, in each case in a manner consistent with the terms and conditions set forth in this definition and in forms mutually agreed by the Agents and the Designated Company;

(n) The Co-Borrowers shall pay or cause the applicable Loan Party to pay all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Mandated Lead Arrangers, and their respective Affiliates (including the reasonable fees,

charges and disbursements of one primary transaction counsel (plus local counsel in each applicable jurisdiction)) in connection with the Permitted Reorganization, and all documents, filings, and any amendment, amendment and restatement, modification or waiver of the provisions hereof or of any other Loan Document (whether or not the Permitted Reorganization shall be consummated); and

(o) Notwithstanding any provision in any Loan Document to the contrary, with respect to each step of the Permitted Reorganization, the Administrative Agent may require amendments and modifications to (i) the Loan Documents (or new Guarantees and Foreign Guarantees) to ensure that the Guarantees and the Foreign Guarantees effectively result in the Secured Obligations of each Co-Borrower being guaranteed by each Guarantor (excluding a guarantee by a Co-Borrower of its own Secured Obligations) upon and after giving effect to such step of the Permitted Reorganization and (ii) the Loan Documents (or new Security Documents) to ensure that the Collateral immediately prior to such step of the Permitted Reorganization which is granted by any Loan Party (and assets required to be pledged as Collateral) effectively secures the Secured Obligations of such Loan Party (or any additional Loan Parties) upon and after giving effect to such step of the Permitted Reorganization. Such amendments, modifications and other Loan Documents so required by the Administrative Agent shall, notwithstanding any provision in any Loan Document to the contrary, become effective upon execution and delivery by the Administrative Agent, the Collateral Agent and the applicable Loan Party, and shall not require the approval of any Lenders, and the Loan Parties agree to execute and deliver such amendments, modifications and other Loan Documents as may be reasonably requested by the Administrative Agent.

The Collateral Agent is hereby authorized to file UCC or PPSA financing statements, mortgages, and all other documents, filings and registrations in each applicable jurisdiction as the Collateral Agent (after consultation with its counsel) reasonably determines is advisable in connection with the steps contemplated by the Permitted Reorganization in order to preserve or maintain the Liens securing the Secured Obligations or the perfection or recordation of such Liens, or to create or perfect or record Liens granted by Loan Parties in connection with or following the consummation of each step of the Permitted Reorganization.

“Permitted Reorganization Actions” shall mean any or all of the following, in the case of each such action, subject to the satisfaction of each of the terms and conditions set forth in the definition of Permitted Reorganization:

- (a) the formation of U.K. Holdco by AV Minerals;
- (b) the designation by the Borrower in a signed written notice delivered to the Agents of U.K. Holdco as “Designated Holdco” and the concurrent contribution, sale or other transfer of 100% of the Equity Interests in AV Metals (or, if the Permitted Holdings Amalgamation occurs on or prior to such date, Successor Borrower) from AV Minerals to Designated Holdco;
- (c) the sale, Distribution, contribution or other transfer of no more than 12.5% of the aggregate amount of Voting Stock and other Equity Interests in Novelis Aluminium Holdings Unlimited plus one additional share of such Voting Stock by Borrower to AV Minerals (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party to effect such sale, Distribution, contribution or other transfer) and, if applicable, the substantially concurrent issuance of an Intercompany Note by each Loan Party that acquires such Equity Interests to the Loan Party that sells, Distributes, contributes or otherwise transfers such Equity Interests to it, as consideration for such sale, Distribution, contribution or other transfer;
- (d) [reserved];

(e) the merger of Novelis AG and Novelis Switzerland SA;

(f) the sale, Distribution or other transfer of 100% or less of the Equity Interests in Novelis Holdings Inc. from Borrower to Designated Holdco;

(g) the sale, Distribution, contribution or other transfer of 100% of the Equity Interests in Novelis Holdings Inc. from Designated Company and/or Borrower to Novelis AG, Novelis Switzerland SA, the survivor of the merger of Novelis AG and Novelis Switzerland SA pursuant to clause (e) above (the “**Surviving Swiss Subsidiary**”) or, to the extent required by clause (iii) below, New U.S. Holdings (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to an Unrestricted Grantor to effect such sale, Distribution, contribution or other transfer) and, if applicable, the substantially concurrent issuance of an Intercompany Note by each Loan Party that acquires such Equity Interests to the Loan Party that sells, Distributes, contributes or otherwise transfers such Equity Interests to it, as consideration for such sale, Distribution, contribution or other transfer; and

(h) the sale, Distribution, contribution or other transfer by a Loan Party (such Loan Party, the “**Transferring Loan Party**”) of 100% of the Equity Interests (other than Equity Interests in Novelis Holdings Inc.) in any Subsidiary of Designated Company (such subsidiary, the “**Transferred Subsidiary**”), to an Interim Holding Company that has complied with the requirements of clause (iv) below (and any substantially concurrent interim sale, Distribution, contribution or other transfer of such Equity Interests to a Loan Party to effect such sale, Distribution, contribution or other transfer) and, if applicable, the substantially concurrent issuance of an Intercompany Note by each Loan Party that acquires such Equity Interests to the Loan Party that sells, Distributes, contributes or otherwise transfers such Equity Interests to it, as consideration for such sale, Distribution, contribution or other transfer;

provided that:

(i) the commencement of any of the actions described in clauses (b), (c), (f), (g) or (h) above (in the case of clauses (g) and (h) above, solely to the extent that Designated Company is Designated Holdco) shall be conditioned on each of AV Minerals and U.K. Holdco having become Guarantors and having granted Liens on their assets to secure the Secured Obligations on terms consistent with the terms of the Loan Documents, including, but not limited to, the requirements set forth in clause (l) of the definition of Permitted Reorganization and in Sections 5.11 and 5.12 hereof (without regard to any time periods set forth therein) (collectively, the “**Joinder Requirements**”);

(ii) the commencement of any of the actions described in clauses (c), (f), (g) or (h) above (in the case of clauses (g) and (h) above, solely to the extent that Designated Company is Designated Holdco) shall be conditioned on the completion of the actions described in clauses (a) and (b) above;

(iii) each sale, Distribution, contribution or other transfer described in clause (g) above shall be conditioned on either (x) Novelis Holdings Inc. not owning, following such action and thereafter, any assets other than the Equity Interests in its direct Subsidiaries and the Permitted Holding Company Assets or (y) the formation of a new Subsidiary (“**New U.S. Holdings**”) organized under the laws of any State of the United States or the District of Columbia that is a direct Wholly Owned Subsidiary of Novelis AG, Novelis Switzerland SA, or the Surviving Swiss

Subsidiary, and that (1) directly and wholly owns Novelis Holdings Inc. and (2) indirectly wholly owns Novelis Acquisitions (and, immediately after giving effect to the merger of Novelis Acquisitions with and into Aleris in connection with the Aleris Acquisition, Aleris); provided that this subclause (y) shall be further conditioned on New U.S. Holdings complying with the Joinder Requirements; provided, further, that New U.S. Holdings shall not be permitted to own, on and after the date of such action, any assets other than the Permitted Holding Company Assets;

(iv) each sale, Distribution, contribution or other transfer described in clause (h) above shall be conditioned on either the creation of a newly formed Unrestricted Grantor or the existence of an existing Unrestricted Grantor, in each case that has complied with the Joinder Requirements (such Unrestricted Grantor, an “**Interim Holding Company**”), which Person shall be a direct Wholly Owned Subsidiary of Novelis AG, Novelis Switzerland SA, or the Surviving Swiss Subsidiary, and that shall directly wholly own the Transferred Subsidiary so sold, Distributed, contributed or transferred pursuant to such transaction; provided that such Unrestricted Grantor shall not be permitted to own, on and after the date of such action, any assets other than the Permitted Holding Company Assets; provided, further, that if such Transferred Subsidiary is an Aleris German Non-Wholly Owned Subsidiary, (1) the Tulip Foundation may continue to directly or indirectly own Equity Interests in such Aleris German Non-Wholly Owned Subsidiary so long as the Tulip Conditions are satisfied at all times and (2) any other Aleris German Non-Wholly Owned Subsidiary that owns such Transferred Subsidiary prior to the occurrence of such transfer may continue to own Equity Interests in such Transferred Subsidiary;

(v) except as provided in clauses (i) through (iv) above, the actions described in clauses (d), (e), (g), and (h) are not conditioned on the occurrence of any of such other actions or the actions described in clauses (a), (b) or (c);

(vi) the order of the actions described in clauses (a) through (h) above may be changed as long as the conditions specified for such action in clauses (i) through (v) above are satisfied; and

(vii) the obligations under each Intercompany Note issued in connection with any action or interim action described in clause (g) or (h) above shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and shall constitute Subordinated Indebtedness hereunder.

“**Permitted Revolving Credit Facility Refinancing**” shall mean any credit facility that refinances or renews or replaces any of the Indebtedness incurred and commitments available under the Revolving Credit Loan Documents (which may be an asset-based or cash flow financing); provided that (a) the aggregate principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such refinancing or renewal, shall not exceed the Maximum Revolving Credit Facility Amount then in effect plus an amount equal to unpaid accrued interest and premium on the Indebtedness being so refinanced or renewed plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal, (b) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of the Indebtedness being so refinanced or renewed, (c) no Default is

existing or would result therefrom, (d) the collateral securing such refinancing, renewal or replacement is not greater than the Collateral (but without regard to whether such collateral is treated as Pari Passu Priority Collateral or Revolving Credit Priority Collateral for purposes of such credit facility under the Intercreditor Agreement) and (e) the persons that are (or are required to be) obligors under such refinancing or renewal do not include any person that is not an obligor under the Indebtedness being so refinanced or renewed (unless, in the case of a refinancing of Indebtedness of a Loan Party, such persons are or become obligors under the Loan Documents); provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of the Designated Company shall have delivered an Officers' Certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Designated Company has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"Permitted Second Priority Refinancing Debt" shall mean secured Indebtedness incurred by any Loan Party in the form of one or more series of junior lien secured notes under one or more indentures or junior lien secured loans under one or more other debt instruments or facilities; provided that (i) such Indebtedness is secured by a Junior Lien on the Collateral (or a portion thereof) and is not secured by any property or assets other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans), (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption or prepayment (except customary asset sale or change of control provisions), in each case prior to the date that is 181 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iv) subject to clause (vii) below, the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (v) such Indebtedness is not guaranteed by any Persons other than the Loan Parties, (vi) the other terms and conditions of such Indebtedness (excluding pricing, premiums and optional prepayment or optional redemption provisions) are customary market terms for securities of such type and, in any event, when taken as a whole, are not materially more favorable to the investors or lenders providing such Indebtedness than the terms and conditions of the applicable Refinanced Debt (except with respect to any terms (including covenants) and conditions contained in such Indebtedness that are applicable only after the then Latest Maturity Date) (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Designated Company has determined in good faith that such terms and conditions satisfy the requirement of this clause (vi) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Designated Company within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)), (vii) the security agreements relating to such Indebtedness (together with the Intercreditor Agreement) reflect the Junior Lien nature of the security interests and are otherwise substantially the same as the applicable Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (viii) no Default shall exist immediately prior to or after giving effect to such incurrence, and (ix) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Intercreditor Agreement. Permitted Second Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

"Permitted Short Term Credit Agreement" shall mean that certain Short Term Credit Agreement, dated as of February 21, 2020 (as amended by Amendment No. 1 thereto, dated as of August 25, 2020 (the **"Permitted Short Term Amendment"**))), among Novelis Holdings Inc., as

the borrower, Novelis Inc., as parent, AV Metals Inc., as holdings, the other guarantors from time to time party thereto, the lenders from time to time party thereto, Standard Chartered Bank, as administrative agent, and Standard Chartered Bank, as escrow agent, or any replacement therefor that constitutes Permitted Short Term Indebtedness in the form of a term loan facility.

“**Permitted Short Term Indebtedness**” shall mean the Indebtedness incurred by Novelis Holdings, Inc. under the Permitted Short Term Credit Agreement, and all Contingent Obligations of the other Loan Parties in respect thereof; provided that:

(i) the net cash proceeds of such Indebtedness shall be used solely (x) to finance a portion of the Aleris Acquisition, to repay existing Indebtedness of Aleris and its Subsidiaries, and to pay fees, costs and expenses incurred in connection with the Aleris Acquisition, such Indebtedness, and incremental term loans incurred under this Agreement and (y) in the case of such Indebtedness funded under the Permitted Short Term Credit Agreement after the Fourth Amendment Effective Date in accordance with the Permitted Short Term Amendment (the “**Bridge Extension Loans**”), to refinance Indebtedness under the Permitted Short Term Credit Agreement that matures on April 13, 2021;

(ii) such Indebtedness is not guaranteed by any Persons other than the Loan Parties;

(iii) no Default shall exist immediately prior to or after giving effect to such incurrence;

(iv) such Indebtedness (including related guarantees) is not secured; provided that on and after April 13, 2021 until April 13, 2022, such Indebtedness (including related guarantees) may be secured by a Lien on assets of the Loan Parties organized under the laws of the United States, the states thereof, the District of Columbia, Canada, and the provinces and territories thereof, in each case junior to the Liens securing the Secured Obligations and the Secured Obligations (under and as defined in the Revolving Credit Agreement), so long as such Indebtedness and such Liens are at all times subject to the terms of the Intercreditor Agreement as “Subordinated Lien Debt” (as defined in the Intercreditor Agreement);

(v) the aggregate principal amount of such Indebtedness does not exceed \$1,100,000,000, less the aggregate principal amount of all payments of such Indebtedness; provided that, to the extent that 100% of the proceeds of Bridge Extension Loans are applied on the date of incurrence in accordance with clause (i)(y) above, the incurrence of such Bridge Extension Loans, and the payment of Permitted Short Term Indebtedness with the proceeds thereof, shall be disregarded for the purpose of calculating the amount of permitted Indebtedness under this clause (v);

(vi) the terms of such Indebtedness do not provide for any scheduled amortization payments; and

(vii) the other terms and conditions of such Indebtedness (excluding pricing, premiums, maturity, and mandatory prepayments) are no more favorable to the lenders providing such Indebtedness than the terms and conditions under the Permitted Short Term Loan Documents as in effect on the Fourth Amendment Effective Date;

provided, further, that the terms of such Indebtedness shall not prohibit Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) or any of its Restricted Subsidiaries from (x) granting any Liens to secure the Secured Obligations, (y) making any loans, payments, distributions or contributions, or any Asset Sales to the Borrower to the extent that such transactions would be permitted under this Agreement, or (z) paying all or any portion of the Secured Obligations at any time and from time to time.

“Permitted Short Term Loan Documents” shall mean the Permitted Short Term Credit Agreement and the other “Loan Documents” (or words of like import) as defined therein, including all guaranties and the notes issued thereunder.

“Periodic Term SOFR Determination Day” has the meaning specified in the definition of **“Term SOFR”**.

“Permitted Unsecured Refinancing Debt” shall mean unsecured Indebtedness incurred by the Designated Company or any Loan Party in the form of one or more series of senior unsecured or subordinated notes or loans under one or more instruments; provided that (i) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans), (ii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption or prepayment (except customary asset sale or change of control provisions), in each case prior to the date that is 181 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iii) such Indebtedness is not guaranteed by any Persons other than the Loan Parties, (iv) the other terms and conditions of such Indebtedness (excluding pricing, premiums and optional prepayment or optional redemption provisions) are customary market terms for Indebtedness of such type and, when taken as a whole, are not materially more restrictive (provided that such terms shall in no event include any financial maintenance covenants) on the Designated Company and the Restricted Subsidiaries than the terms and conditions applicable to the Term Loans (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Designated Company has determined in good faith that such terms and conditions satisfy the requirement of this clause (iv) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Designated Company within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)) and (v) such Indebtedness (including related guarantees) is not secured. Permitted Unsecured Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“person” or **“Person”** shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Company or its ERISA Affiliate or with respect to which any Company could incur liability (including under Section 4069 of ERISA).

“Platform” shall have the meaning assigned to such term in Section 11.01(d).

“Pledged Distributions” shall mean, collectively, with respect to each Loan Party, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Loan Party in respect of or in exchange for any or all of the Pledged Securities or Pledged Intercompany Notes.

“Pledged Intercompany Notes” shall mean, with respect to each Loan Party, all intercompany notes described in Schedule 11 to the Perfection Certificate as of the Closing Date and intercompany notes hereafter acquired by such Loan Party and all certificates, instruments or

agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

“**Pledged Securities**” shall mean, collectively, with respect to each Loan Party, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 10 to the Perfection Certificate as of the Closing Date as being owned by such Loan Party and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any issuer, which Equity Interests are hereafter acquired by such Loan Party or are owned by a Loan Party as of the Closing Date (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Loan Party in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests other than to the extent any of the foregoing constitute Excluded Equity Interests.

“**PPSA**” shall mean the Personal Property Security Act (Ontario) and the regulations promulgated thereunder and other applicable personal property security legislation of the applicable Canadian province or provinces in respect of the Canadian Loan Parties (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights promulgated thereunder (the “**Civil Code**”)) as all such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto.

“**Preferred Stock**” shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person whether now outstanding or issued after the Closing Date.

“**Prepayments Recapture Amount**” shall have the meaning assigned to such term in Section 6.11(a)(i)(z)(C).

“**Principal Jurisdiction**” shall mean (i) the United States, Canada, the United Kingdom, Switzerland, Germany, Belgium and the Netherlands, (ii) each other country in which a Restricted Subsidiary is organized in respect of which Accounts are included in the borrowing base for purposes of the Revolving Credit Agreement and (iii) any state, province or other political subdivision of the foregoing.

“**Pro Forma Basis**” shall mean, with respect to compliance with any test or covenant hereunder at any time of determination (excluding any calculation of the amount of Excess Cash Flow and the amount referred to in clause (a) of the definition of Cumulative Credit), that all Specified Transactions and the following transactions in connection therewith (if any) shall be deemed to have occurred as of the first day of the applicable Test Period or other period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a sale or other disposition of all or substantially all Equity Interests in or assets of any Restricted

Subsidiary of the Designated Company or any division, business unit, line of business or facility used for operations of the Designated Company or any of its Restricted Subsidiaries, shall be excluded (as if such sale or disposition occurred on the first day of the applicable Test Period), and (ii) in the case of a Permitted Acquisition or Investment described in the definition of “Specified Transaction”, shall be included (as if such Permitted Acquisition or Investment occurred on the first day of the applicable Test Period), (b) any retirement of Indebtedness in connection therewith, and (c) any Indebtedness incurred or assumed by the Designated Company or any of its Restricted Subsidiaries in connection therewith.

“**Process Agent**” shall have the meaning assigned to such term in Section 11.09(d).

“**property**” shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests or other ownership interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property.

“**Property Material Adverse Effect**” shall mean, with respect to any Mortgaged Property, as of any date of determination and whether individually or in the aggregate, any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably be expected to cause or result in) a material adverse effect on (a) the business or operations of any Company as presently conducted at the Mortgaged Property; (b) the value or utility of the Mortgaged Property; or (c) the legality, priority or enforceability of the Lien created by the Mortgage or the rights and remedies of the Mortgagee thereunder.

“**Public Lender**” shall have the meaning assigned to such term in Section 11.01(d).

“**Purchase**” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“**Purchase Money Obligation**” shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any property (including Equity Interests of any person) or the cost of installation, construction or improvement of any property and any refinancing thereof; provided, however, that (i) such Indebtedness is incurred within one year after such acquisition, installation, construction or improvement of such property by such person and (ii) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, installation, construction or improvement, as the case may be.

“**Purchase Notice**” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“**Qualified Borrower IPO**” shall mean, at any time prior to the commencement of the first step of the Permitted Reorganization, and so long as the Borrower (directly or indirectly) owns 100% of the Equity Interests of the other Co-Borrower, any of the issuance by the Borrower of its common Equity Interests and/or the sale by Holdings of the common Equity Interests of the Borrower owned by Holdings, in an underwritten primary or secondary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act; provided that the Borrower shall not consummate a Qualified Borrower IPO during any period that AV Minerals directly owns any Equity Interests in Novelis Aluminium Holdings Unlimited, Novelis Deutschland GmbH, or in any other Subsidiary of AV Minerals other than AV Metals, Successor Holdings and Designated Holdco.

“Qualified Capital Stock” of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

“Qualified ECP Guarantor” shall mean, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee (or in the case of each Co-Borrower, guarantee) or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualified IPO” shall mean the issuance by Holdings (or, on and after the Designated Holdco Effective Date, Designated Holdco), or any direct or indirect parent of Holdings (or, on and after the Designated Holdco Effective Date, Designated Holdco) which, (x) in the case of Holdings, owns no material assets other than its direct or indirect ownership interest in the Equity Interests of the Borrower (or, on and after the Designated Holdco Effective Date, Designated Holdco and, to the extent permitted by Section 6.15(a)(i)(y), Novelis Aluminum Holdings Unlimited and Aleris Germany) and the other assets permitted by Section 6.15, or (y) on and after the Specified AV Minerals Joinder Date, in the case of AV Minerals, owns no material assets other than its direct ownership interests in Holdings and the assets described in clause (x) above, of its common Equity Interests in an underwritten primary or secondary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act; provided that neither Holdings nor Designated Holdco shall consummate a Qualified IPO (other than a Qualified IPO consummated solely with the issuance of Equity Interests by a direct or indirect parent of AV Minerals) during any period that AV Minerals directly owns any Equity Interests in Novelis Aluminium Holdings Unlimited, Novelis Deutschland GmbH, or in any other Subsidiary of AV Minerals other than AV Metals, Successor Holdings and Designated Holdco.

“Qualified Securitization Transaction” shall mean any transaction or series of transactions that may be entered into by any Restricted Subsidiary (other than a Restricted Subsidiary organized under the laws of a Principal Jurisdiction (excluding from such requirement as to the absence of Restricted Subsidiaries organized under the laws of a Principal Jurisdiction, any Permitted German Alternative Financing, any Permitted Customer Account Financing or any Permitted Novelis Switzerland Financing)) pursuant to which such Restricted Subsidiary may sell, convey or otherwise transfer to a Securitization Entity or may grant a security interest in any Receivables (whether now existing or arising or acquired in the future) of such Restricted Subsidiary or any Related Security or Securitization Assets; provided that no Receivables or other property of any Company organized in a Principal Jurisdiction (excluding from such requirement as to the absence of property of a Company organized in a Principal Jurisdiction, any Permitted German Alternative Financing, any Permitted Customer Account Financing and any Permitted Novelis Switzerland Financing) shall be subject to a Qualified Securitization Transaction.

“Qualifying Lenders” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“Qualifying Loans” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“Real Property” shall mean, collectively, all right, title and interest (including any freehold, leasehold, minerals or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means,

together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

“Recapture Amounts” shall mean, at any time of determination, the cumulative amount of the Investment Recapture Amount plus the Dividend Recapture Amount plus the Prepayments Recapture Amount paid since the Closing Date.

“Receivable” shall mean the indebtedness and other obligations owed to any Company (other than any Company organized under the laws of a Principal Jurisdiction (excluding from such requirement as to the absence of a Company organized in a Principal Jurisdiction, any Permitted German Alternative Financing, any Permitted Customer Account Financing or any Permitted Novelis Switzerland Financing)) (at the time such indebtedness and other obligations arise, and before giving effect to any transfer or conveyance contemplated under any Qualified Securitization Transaction documentation) arising in connection with the sale of goods or the rendering of services by such person, including any indebtedness, obligation or interest constituting an Account, contract right, payment intangible, promissory note, chattel paper, instrument, document, investment property, financial asset or general intangible, in each case, arising in connection with the sale of goods or the rendering of services by such person, and further includes, the obligation to pay any finance charges with respect thereto.

“Receivables Purchase Agreement” shall mean each of (a) the Non-Recourse Receivables Purchase Agreement, dated July 6, 2007 (as amended and restated on December 17, 2010 and as further amended from time to time) and any related servicing agreements (collectively, the **“German Receivables Purchase Agreement”**) between the German Seller, on the one hand, and Novelis AG, on the other hand, in each case providing, *inter alia*, for the sale and transfer of Accounts by the German Seller to Novelis AG, and (b) any other receivables purchase agreement and related servicing agreements entered into after the Closing Date between a “Receivables Seller” and a “Borrower” or “Borrowing Base Guarantor” (as each is defined in the Revolving Credit Agreement and any corresponding term in any successor agreement), in order that the receivables subject thereto may be included in the borrowing base established under the Revolving Credit Agreement and in form and substance reasonably satisfactory to the Revolving Credit Administrative Agent.

“Receiver” shall mean a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Collateral, and that term will include any appointee under joint and/or several appointments.

“Reference Bank Quotation” means any quotation supplied to the Administrative Agent by a Reference Bank.

“Reference Bank Rate” shall mean the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request by the Reference Banks, in relation to a Borrowing, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant Interest Period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that Interest Period; provided, that if the Reference Bank Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Reference Banks” shall mean, in relation to a Borrowing, the principal London offices of any financial institution appointed by the Administrative Agent as a “Reference Bank” in consultation with the Designated Company and with the consent of such Reference Bank.

“Refinancing Amendment” shall mean an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Designated Company executed by each of (a) the Loan Parties, (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Credit Agreement Refinancing Indebtedness being incurred pursuant thereto, in accordance with Section 2.24.

“Refinanced Debt” shall have the meaning assigned to such term in the definition of “Credit Agreement Refinancing Indebtedness”.

“Register” shall have the meaning assigned to such term in Section 11.04(c).

“Registered Equivalent Notes” shall mean, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

“Regulation” shall have the meaning assigned to such term in Section 3.25.

“Regulation D” shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation S-X” shall mean Regulation S-X promulgated under the Securities Act.

“Regulation T” shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation U” shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X” shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Related Business Assets” shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by any Loan Party in exchange for assets transferred by a Loan Party shall not be deemed to be Related Business Assets if they consist of securities of a person, unless upon receipt of the securities of such person, such person would become a Loan Party.

“Related Parties” shall mean, with respect to any person, such person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such person and of such person’s Affiliates.

“Related Security” shall mean, with respect to any Receivable, all of the applicable Restricted Subsidiary’s interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale of which by the applicable Company gave rise to such Receivable, and all insurance contracts with respect thereto, all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable, all guaranties, letters of credit, letter-of-credit rights, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the contract related to such Receivable or otherwise, all service contracts and other contracts and agreements associated with such Receivable, all records related to such Receivable, and all of the applicable Company’s

right, title and interest in, to and under the applicable Qualified Securitization Transaction documentation or Permitted Factoring Facility documentation.

“**Release**” shall mean any spilling, leaking, seepage, pumping, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

“**Relevant External Company**” shall mean “relevant external company” within the meaning of the Irish Companies Act.

“Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“**Reorganization Plan**” shall have the meaning assigned to such term in Section 11.04(g)(iii).

“**Repatriation Limitation**” shall have the meaning assigned to such term in Section 2.10(i).

“**Reply Amount**” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“**Required Lenders**” shall mean, as of any date of determination, Lenders holding more than 50% of the sum of all Loans outstanding and unused Commitments (if any); provided that the Commitment of, and the portion of the Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“**Requirements of Law**” shall mean, collectively, any and all legally binding requirements of any Governmental Authority including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law, including, without limitation, the U.S. Hold Separate Order.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Response**” shall mean (a) “response” as such term is defined in CERCLA, 42 U.S.C. § 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to (i) clean up, remove, treat, abate or in any other way address any Hazardous Material in the Environment; (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material; or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

“**Responsible Officer**” shall mean, with respect to any Person, any of the principal executive officers, managing members or general partners of such Person but, in any event, with respect to financial matters, the chief financial officer, finance director, treasurer or controller of such person, and, solely for purposes of notices given under Article II, any other officer or employee such Person so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of such Person designated in or pursuant to an agreement between such Person and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of

such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Grantor” shall mean a Loan Party that has granted a Guarantee that is subject to limitations that impair in any material respect the benefit of such Guarantee (as determined by the Administrative Agent in its reasonable discretion) (it being expressly understood and agreed that (i) neither the Borrower nor any Loan Party that is a Canadian Guarantor, a U.K. Guarantor, a Dutch Guarantor, a Dubai Guarantor or a U.S. Guarantor shall be a Restricted Grantor and (ii) except as may be otherwise determined by the Administrative Agent in its reasonable discretion, each Loan Party that is a German Guarantor, an Irish Guarantor, a Swiss Guarantor, a French Guarantor or a Brazilian Guarantor shall be a Restricted Grantor).

“Restricted Subsidiary” shall mean, as the context requires, (i) any Subsidiary of Holdings other than an Unrestricted Subsidiary, (ii) on and after the Specified AV Minerals Joinder Date, any Subsidiary of AV Minerals other than an Unrestricted Subsidiary, and (iii) any Subsidiary of the Designated Company other than an Unrestricted Subsidiary.

“Revolving Credit Administrative Agent” shall mean the “Administrative Agent” (or term of like import) under and as defined in the Revolving Credit Agreement, and its successors and assigns in such capacity.

“Revolving Credit Agents” shall mean the “Agents” (as defined in the Revolving Credit Loan Documents) (or term of like import), including the Revolving Credit Administrative Agent and the Revolving Credit Collateral Agent.

“Revolving Credit Agreement” shall mean (i) that certain Second Amended and Restated Credit Agreement, dated as of October 6, 2014, among the Loan Parties, the Revolving Credit Lenders, Wells Fargo Bank, N.A. (London Branch), as European swingline lender, Wells Fargo Bank, National Association, as issuing bank and U.S. swingline lender, the Revolving Credit Collateral Agent, the Revolving Credit Administrative Agent, Merrill, Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, The Royal Bank of Scotland plc and UBS Securities LLC, as co-syndication agents, SunTrust Robinson Humphrey, Inc., as senior managing agent, and Wells Fargo Bank, National Association, Merrill, Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, RBS Securities Inc. and UBS Securities LLC, as joint lead arrangers and joint bookmanagers, as amended, restated, supplemented or modified from time to time to the extent permitted by this Agreement and the Intercreditor Agreement and (ii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend (subject to the limitations set forth herein and in the Intercreditor Agreement) or refinance in whole or in part the indebtedness and other obligations outstanding under the (x) credit agreement referred to in clause (i) or (y) any subsequent Revolving Credit Agreement, in each case which constitutes a Permitted Revolving Credit Facility Refinancing with respect to the Revolving Credit Loans, unless such agreement or instrument expressly provides that it is not intended to be and is not a Revolving Credit Agreement hereunder (provided that in connection with such refinancing, the commitments relating to such indebtedness that has been refinanced are terminated). Any reference to the Revolving Credit Agreement hereunder shall be deemed a reference to any Revolving Credit Agreement then in existence.

“Revolving Credit Collateral Agent” shall mean the “Collateral Agent” (or term of like import) under and as defined in the Revolving Credit Agreement, and its successors and assigns in such capacity.

“Revolving Credit Commitments” shall mean the commitments of the Revolving Credit Lenders to make Revolving Credit Loans under the Revolving Credit Agreement.

“Revolving Credit Lenders” shall mean the banks, financial institutions and other entities from time to time party to the Revolving Credit Agreement as lenders.

“Revolving Credit Loan Documents” shall mean the Revolving Credit Agreement and the other “Loan Documents” as defined in the Revolving Credit Agreement and any corresponding term in any successor Revolving Credit Agreement permitted hereby, including the mortgages and other security documents, guaranties and the notes issued thereunder.

“Revolving Credit Loans” shall mean the revolving loans and swingline loans outstanding under the Revolving Credit Agreement.

“Revolving Credit Maturity Date” shall have meaning assigned to the term “Maturity Date” in the Revolving Credit Agreement (and any corresponding term in any successor Revolving Credit Agreement permitted hereby).

“Revolving Credit Priority Collateral” shall mean all “Revolving Credit Priority Collateral” as defined in the Intercreditor Agreement.

“Revolving Credit Secured Parties” shall mean the Revolving Credit Administrative Agent, the Revolving Credit Collateral Agent and each other Person that is a “Secured Party” under the Revolving Credit Agreement.

“Revolving Credit Security Documents” shall have the meaning assigned to the term “Security Documents” in the Revolving Credit Agreement (and any corresponding term in any successor Revolving Credit Agreement permitted hereby).

“S&P” shall mean Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. and any successor thereto.

“Sale and Leaseback Transaction” shall have the meaning assigned to such term in Section 6.03.

“Sanctioned Country” shall have the meaning assigned to such term in Section 3.22.

“Sanctioned Person” shall have the meaning assigned to such term in Section 3.22.

“Sanctions” shall have the meaning assigned to such term in Section 3.22.

“Sarbanes-Oxley Act” shall mean the United States Sarbanes-Oxley Act of 2002, as amended, and all rules and regulations promulgated thereunder.

“SCB” shall mean Standard Chartered Bank and its successors.

~~**“Screen Rate”** shall have the meaning assigned to such term in the definition of Eurodollar Base Rate.~~

“Second Amendment” shall mean that certain Amendment No. 2 to Credit Agreement, dated as of November 20, 2018, among the Borrower, AV Metals, the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Second Amendment Effective Date**” shall mean the “Amendment Effective Date” as defined in the Second Amendment.

“**Section 347**” shall have the meaning assigned to such term in Section 2.19(a).

“**Secured Debt Agreement**” shall mean (i) this Agreement and (ii) the other Loan Documents.

“**Secured Hedge Provider**” shall mean (i) any person that is a counterparty to a Hedging Agreement with any Loan Party that was a Lender, Arranger or Agent (or an Affiliate of a Lender, Arranger or Agent) on the date of entering into such Hedging Agreement (or, with respect to Hedging Agreements in effect at the Closing Date, on the Closing Date), (ii) any other person that is counterparty to a Hedging Agreement with any Loan Party if, at or prior to the time such Hedging Agreement is entered into, the Designated Company shall designate such person as a “Secured Hedge Provider” in a notice to the Administrative Agent and the Collateral Agent, which person shall execute a Secured Hedge Provider Joinder, (iii) any Person that is a counterparty to a Hedging Agreement with any Loan Party that is in effect on the Closing Date and was entered into prior to the Closing Date to the extent that such Person is listed as a “Secured Hedge Provider” on Schedule 1.01(d), which Person shall become a Secured Hedge Provider on the day following the Closing Date but shall cease to be a Secured Hedge Provider if such Person fails to execute a Secured Hedge Provider Joinder on or prior to the ninetieth (90th) day after the Closing Date, and (iv) any Person that is a counterparty to a Hedging Agreement with a Subsidiary acquired by the Companies pursuant to the Aleris Acquisition that is in effect on the Aleris Acquisition Closing Date and was entered into prior to the Aleris Acquisition Closing Date; provided that such Person shall cease to be a Secured Hedge Provider on the date that is 90 days after the Aleris Acquisition Closing Date (or such later date agreed by the Administrative Agent) if such Person has not, on or prior to such date, (x) executed and delivered to the Administrative Agent a Secured Hedge Provider Joinder and (y) complied with the Aleris Hedging Collateral Requirements with respect to such Hedging Agreement.

“**Secured Hedge Provider Joinder**” shall mean a letter agreement substantially in the form of Exhibit Q attached hereto or in such other form as may be acceptable to the Administrative Agent pursuant to which such person (i) appoints the Administrative Agent and the Collateral Agent as its agent under the applicable Loan Documents with respect to Collateral, as provided therein, and (ii) agrees to be bound by the provisions of Section 10.03, Section 10.09, the Intercreditor Agreement and the Security Documents as if it were a Lender.

“**Secured Net Leverage Ratio**” shall mean, with respect to any Calculation Date, the ratio of (a) Consolidated Total Net Debt as of the Calculation Date (other than any portion of Consolidated Total Net Debt that is unsecured) to (b) Consolidated EBITDA for the Test Period most recently ended prior to the Calculation Date for which financial information has been delivered to the Administrative Agent and the Lenders pursuant to Section 4.01(d), Section 5.01(a) or Section 5.01(b).

“**Secured Obligations**” shall mean (a) the Obligations and (b) the due and punctual payment and performance of all obligations of the Designated Company and the other Loan Parties under each Hedging Agreement entered into with any Secured Hedge Provider. The Secured Obligations shall not include any Excluded Swap Obligations.

“**Secured Parties**” shall mean, collectively, the Administrative Agent, the Collateral Agent, the Escrow Agent, each co-agent or sub-agent appointed by the Administrative Agent or the Collateral Agent, any Receiver or Delegate, the Lenders and any Secured Hedge Provider (to the extent such Secured Hedge Provider executes and delivers to the Administrative Agent and the Collateral Agent a Secured Hedge Provider Joinder).

“Securities Act” shall mean the Securities Act of 1933.

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Pledged Intercompany Notes and the Pledged Distributions.

“Securitization Assets” shall mean all existing or hereafter acquired or arising (i) Receivables that are sold, assigned or otherwise transferred pursuant to a Qualified Securitization Transaction, (ii) the Related Security with respect to the Receivables referred to in clause (i) above, (iii) the collections and proceeds of the Receivables and Related Security referred to in clauses (i) and (ii) above, (iv) all lockboxes, lockbox accounts, collection accounts or other deposit accounts into which such collections are deposited (and in any event excluding any lockboxes, lockbox accounts, collection accounts or deposit accounts that any Company organized under the laws of any Principal Jurisdiction has an interest in (other than in connection with a Permitted German Alternative Financing, any Permitted Customer Account Financing and any Permitted Novelis Switzerland Financing)) and which have been specifically identified and consented to by the Administrative Agent, (v) all other rights and payments which relate solely to such Receivables and (vi) all cash reserves comprising credit enhancements for such Qualified Securitization Transaction.

“Securitization Entity” shall mean any corporation, company (including any limited liability company), association, partnership, joint venture, trust, mutual fund or other business entity to which any Restricted Subsidiary (excluding any Restricted Subsidiary that is organized in a Principal Jurisdiction (excluding from such requirement that such Restricted Subsidiary not be organized in a Principal Jurisdiction, any Permitted German Alternative Financing, any Permitted Customer Account Financing and any Permitted Novelis Switzerland Financing) or any other Securitization Entity transfers Receivables and Related Security) (a) which engages in no activities other than in connection with the financing of Receivables or Related Security, (b) which is designated by the Board of Directors of the Designated Company as a Securitization Entity, (c) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Designated Company or any Restricted Subsidiary (excluding guarantees of such transferor Restricted Subsidiary of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings and guarantees by the Securitization Entity), (ii) is recourse to or obligates the Designated Company or any Restricted Subsidiary (other than the Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of the Designated Company or any Restricted Subsidiary (other than the Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings and other than any interest in the Receivables and Related Security being financed (whether in the form of any equity interest in such assets or subordinated indebtedness payable primarily from such financed assets) retained or acquired by the transferor Restricted Subsidiary, (d) to which none of the Designated Company nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results and (e) with which none of Holdings, the Designated Company nor any Restricted Subsidiary of the Designated Company (nor, on and after the Specified AV Minerals Joinder Date, AV Minerals) has any material contract, agreement, arrangement or understanding other than those customary for a Qualified Securitization Transaction and, in any event, on terms no less favorable to Holdings, the Designated Company or such Restricted Subsidiary (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) than those that might be obtained at the time from Persons that are not Affiliates of the Designated Company or such Restricted Subsidiary. Any such designation by the Board of Directors shall be evidenced to the Administrative Agent by providing the Administrative Agent with a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the foregoing conditions.

“Security Agreement” shall mean each U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement, each Irish Security Agreement, each Brazilian Security Agreement, each French Security Agreement, each Dubai Security Agreement, each Belgian Security Agreement, each Dutch Security Agreement and each other Security Agreement entered into pursuant to Section 5.11(b), individually and collectively, as the context may require.

“Security Agreement Collateral” shall mean all property pledged or granted as Collateral pursuant to any Security Agreement (a) on the Closing Date or (b) thereafter pursuant to Section 5.11 or Section 5.15.

“Security Documents” shall mean each Security Agreement, the Mortgages, any Security Trust Deed, and each other security document, deed of trust, charge or pledge agreement delivered in accordance with applicable local or foreign law to grant a valid, perfected security interest in any property as Collateral for the Secured Obligations, and all UCC or other financing statements or financing change statements, control agreements, bailee notification letters, or instruments of perfection required by this Agreement, any Security Agreement, any Mortgage or any other such security document, charge or pledge agreement to be filed with respect to the security interests in property and fixtures created pursuant to any Security Agreement or any Mortgage and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as Collateral for the Secured Obligations or to perfect, obtain control over or otherwise protect the interest of the Collateral Agent therein.

“Security Trust Deed” shall mean any security trust deed to be executed by, among others, the Collateral Agent, the Administrative Agent and any Loan Party granting security over U.K., Irish or Hong Kong assets of any Loan Party.

“Senior Note Agreements” shall mean (a) the Indenture, dated as of January 16, 2020, by and among the U.S. Issuer, the guarantors from time to time party thereto, and Regions Bank, as trustee, and (b) the Indenture, dated as of September 14, 2016, by and among the U.S. Issuer, the guarantors from time to time party thereto, and Regions Bank, as trustee, in each case pursuant to which the applicable Senior Notes were issued.

“Senior Note Documents” shall mean the Senior Notes, the Senior Note Agreements, the Senior Note Guarantees and all other documents executed and delivered with respect to the Senior Notes or the Senior Note Agreements.

“Senior Note Guarantees” shall mean the guarantees of the Loan Parties (other than the U.S. Issuer) pursuant to the Senior Note Agreements.

“Senior Notes” shall mean the U.S. Issuer’s 4.75% Senior Notes due 2030 and 5.875% Senior Notes due 2026, each issued pursuant to the applicable Senior Note Agreements, and any senior notes issued pursuant to a Permitted Refinancing of the Senior Notes (and any Registered Equivalent Notes).

“Senior Representative” shall mean, with respect to any series of Permitted First Priority Refinancing Debt, Permitted Second Priority Refinancing Debt, Additional Senior Secured Indebtedness or Junior Secured Indebtedness, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

“**Senior Secured Net Leverage Ratio**” shall mean, with respect to any date of determination (the “**Calculation Date**”), the ratio of (a) Consolidated Total Net Debt as of the Calculation Date (other than any portion of Consolidated Total Net Debt that is unsecured or is secured solely by Liens that are subordinated to the Liens securing the Secured Obligations pursuant to the Intercreditor Agreement) (it being understood that Indebtedness under the Revolving Credit Loan Documents which constitutes Consolidated Total Net Debt will be included in the Senior Secured Net Leverage Ratio) to (b) Consolidated EBITDA for the Test Period most recently ended prior to the Calculation Date for which financial information has been delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or (b); provided that if the Senior Secured Net Leverage Ratio is being determined for purposes of determining the Excess Cash Flow Percentage for a particular Excess Cash Flow Period, then Consolidated EBITDA for such Excess Cash Flow Period shall be utilized in clause (b) of this ratio.

“**Series of Cash Neutral Transactions**” shall mean any series of Investments, incurrences of Indebtedness, Asset Sales in the form of transfers of intercompany promissory notes and Equity Interests or similar instruments and/or Dividends solely among Companies; provided that (i) the amount of cash or Cash Equivalents transferred by any Company (each such Company, an “**Initiating Company**”) to another Company in such Series of Cash Neutral Transactions is not greater than the amount of cash or Cash Equivalents received by such Initiating Company in such Series of Cash Neutral Transactions less reasonable transaction expenses and taxes (which cash and Cash Equivalents must be received by such Initiating Company within three Business Days of the initiation of such Series of Cash Neutral Transactions), (ii) any Collateral (including cash or Cash Equivalents of any Loan Party involved in such Series of Cash Neutral Transactions) shall remain subject to a perfected security interest of the Collateral Agent, and the validly, perfection and priority of such security interest shall not be impaired by or in connection with such Series of Cash Neutral Transactions, (iii) no more than \$50,000,000 in aggregate of cash or Cash Equivalents may be held by Companies that are not Loan Parties in connection with transfers from Loan Parties as part of such Series of Cash Neutral Transactions (and any such Company that is not a Loan Party may not retain any of such cash or Cash Equivalents after giving effect to the Cash Neutral Transactions), (iv) the fair market value of the assets (other than cash or Cash Equivalents) that may be held by Companies that are not Loan Parties in connection with transfers from Loan Parties as part of such Series of Cash Neutral Transactions may not exceed \$50,000,000 in the aggregate and (v) the ownership interests of any Unrestricted Grantor in any of its Subsidiaries shall not be reduced as a result thereof.

“**Significant Event of Default**” shall mean any Event of Default under Section 8.01(a), (b), (g) or (h).

“**Similar Business**” shall mean any business conducted by the Borrower and the other Loan Parties on the Effective Date as described in the Confidential Information Memorandum (or, in the good faith judgment of the Board of Directors of the Designated Company, which is substantially related thereto or is a reasonable extension thereof).

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Borrowing” means, as to any Borrowing, the SOFR Loans comprising such Borrowing.

“SOFR Loan” means a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to the first proviso to the definition of Cost of Funds.

“Specified Aleris Hedging Agreements” shall mean Hedging Agreements with Aleris or any of its Subsidiaries that are required to be secured by a Lien on any assets of Aleris or any of its Subsidiaries, in each case other than solely as a result of the designation of any counterparty thereto as a “Secured Hedge Provider” in accordance with the terms hereof.

“Specified Aleris Subsidiaries” shall mean, after giving effect to the Aleris Acquisition, each direct or indirect Subsidiary of Aleris that at any time (a) is a borrower under the Revolving Credit Agreement, or (b) directly or indirectly owns one or more Subsidiaries described in clause (a) above; provided that, to the extent that the Revolving Credit Agreement excludes Aleris Hong Kong and Aleris Rolled Products Mexico, S. de R.L. de C.V., a company organized under the laws of Mexico, from the definition of Specified Aleris Subsidiaries, then such entities shall not constitute Specified Aleris Subsidiaries hereunder.

“Specified Divestiture” shall mean any Asset Sale by Aleris or any of its Subsidiaries, or Holdings or any of its Subsidiaries, required in connection with obtaining regulatory (including antitrust) approval for the Aleris Acquisition, whether or not such Asset Sale occurs prior to or after the Aleris Acquisition Closing Date.

“Specified Equity Contribution” shall mean any cash contribution to the common equity of Holdings and/or any purchase or investment in an Equity Interest of Holdings other than Disqualified Capital Stock in each case made pursuant to Section 8.04.

“Specified Holders” shall mean Hindalco and its Affiliates.

~~**“Specified Time”** shall mean, with respect to each Interest Period, at approximately 11:00 a.m. (London time) on the date that is two London Banking Days prior to the commencement of such Interest Period~~**“Restricted Joint Owned Patents”** shall mean those patents set forth on Schedule 11.29(c) to Amendment No. 7.

“Specified Transaction” shall mean, with respect to any period, any Permitted Acquisition (other than any Permitted Acquisition where the amount of the Acquisition Consideration plus the fair market value of any Equity Interests which constitutes all or a portion of the purchase price is less than \$15,000,000), any Asset Sale (other than (x) any disposition in the ordinary course of business and (y) any disposition where the fair market value of the assets disposed of is less than \$15,000,000), any Dividend made pursuant to Section 6.08(d), any designation or redesignation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, any incurrence or prepayment of Indebtedness (including any transaction under Section 6.11), or any Incremental Term Loan or Revolving Credit Commitment increase.

“Spot Selling Rate” shall mean, on any date of determination for a currency, the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date 2 Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Administrative Agent does not have as of the date of determination a spot buying rate for any such currency.

“Standard Factoring Undertakings” shall mean representations, warranties, covenants and indemnities entered into by any Restricted Subsidiary that are negotiated in good faith at arm’s length in a Receivables factoring transaction so long as none of the same constitute Indebtedness or a Contingent Obligation (other than in connection with an obligation to repurchase receivables that do not satisfy related representations and warranties) or otherwise require the provision of credit support in excess of customary credit enhancement established

upon entering into such Receivables factoring transaction negotiated in good faith at arm's length.

"Standard Securitization Undertakings" shall mean representations, warranties, covenants and indemnities entered into by any Restricted Subsidiary that are negotiated in good faith at arm's length in a Receivables securitization transaction so long as none of the same constitute Indebtedness, a Contingent Obligation (other than in connection with an obligation to repurchase receivables that do not satisfy related representations and warranties) or otherwise require the provision of credit support in excess of customary credit enhancement established upon entering into such Receivables securitization transaction negotiated in good faith at arm's length.

"Subordinated Indebtedness" shall mean Indebtedness of a Loan Party that is subordinated by its terms (including pursuant to the terms of any subordination agreement, intercreditor agreement, or otherwise) in right of payment to the Obligations of such Loan Party.

"Subordination Agreement" shall mean that certain Subordination Agreement dated as of the Closing Date by and among the Loan Parties (other than certain Foreign Subsidiaries), the Collateral Agent and the Administrative Agent.

"Subsidiary" shall mean, with respect to any person (the **"parent"**) at any date, (i) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (ii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iii) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, "Subsidiary" refers to a Subsidiary of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals). Notwithstanding the foregoing, (A) Logan shall not be treated as a Subsidiary hereunder or under the other Loan Documents unless it qualifies as a Subsidiary under clause (i) of this definition and (B) except as set forth in clause (ii) below, Ulsan JV Subsidiary shall not be treated as a Subsidiary hereunder or under the other Loan Documents at any time that (x) Holdings directly or indirectly owns Equity Interests in Ulsan JV Subsidiary and (y) Holdings or any of its Subsidiaries has the right to elect no more than half of the directors of Ulsan JV Subsidiary and (ii) regardless of whether Ulsan JV Subsidiary is a Subsidiary, the financial results of Ulsan JV Subsidiary shall be included in all consolidated financial results of the Designated Company and its Subsidiaries to the extent the Designated Company consolidates the results of Ulsan JV Subsidiary in its financial statements in accordance with US GAAP; provided that the proportionate interest of the Ulsan Joint Venture Partner in the Ulsan JV Subsidiary and any liability of the Ulsan JV Subsidiary to pay Distributions to the Ulsan Joint Venture Partner with respect to such proportionate interest shall be excluded for the purposes of all financial definitions under this Agreement.

"Subsidiary Guarantor" shall mean each Restricted Subsidiary listed on Schedule 1.01(b), and each other Restricted Subsidiary that is or becomes a party to this Agreement as a Subsidiary Guarantor pursuant to Section 5.11.

"Successor Borrower" shall have the meaning assigned to such term in the definition of "Permitted Holdings Amalgamation".

“**Successor Holdings**” shall have the meaning assigned to such term in the definition of “Permitted Holdings Amalgamation”.

~~“**Successor Rate**” shall have the meaning assigned to such term in Section 2.11.~~

“**Survey**” shall mean a survey of any Mortgaged Property (and all improvements thereon) which is (a) (i) prepared by a surveyor or engineer licensed to perform surveys in the jurisdiction where such Mortgaged Property is located, (ii) current as of a date which shows all exterior construction on the site of such Mortgaged Property or any easement, right of way or other interest in the Mortgaged Property has been granted or become effective through operation of law or otherwise with respect to such Mortgaged Property which, in either case, can be depicted on a survey, unless otherwise acceptable to the Collateral Agent, (iii) certified by the surveyor (in a manner reasonably acceptable to the Collateral Agent) to the Administrative Agent, the Collateral Agent and the Title Company, (iv) complying in all respects with the minimum detail requirements of the American Land Title Association (or the local equivalent) as such requirements are in effect on the date of preparation of such survey and (v) sufficient for the Title Company to remove all standard survey exceptions from the title insurance policy (or commitment) relating to such Mortgaged Property and issue the endorsements of the type required by Section 5.15 or (b) otherwise reasonably acceptable to the Collateral Agent.

“**Surviving Aleris Debt**” shall mean, to the extent outstanding on the Aleris Acquisition Closing Date after giving effect to the Aleris Acquisition, Indebtedness incurred by one or more Companies organized under the laws of the People’s Republic of China that is not a Loan Party pursuant to the terms of the non-recourse multi-currency secured term loan facilities and the revolving facilities of Aleris Aluminum (Zhenjiang) Co., Ltd., in each case, as in effect on the Aleris Acquisition Closing Date.

“**Swap Obligation**” shall mean, with respect to any Guarantor (or Co-Borrower with respect to the obligations of any other Loan Party under any Hedging Agreement entered into with a counterparty that is a Secured Party), any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“**Swiss Guarantor**” shall mean each Restricted Subsidiary of the Designated Company organized in Switzerland party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company incorporated in Switzerland that becomes a Guarantor pursuant to the terms hereof.

“**Swiss Security Agreement**” shall mean, collectively, (i) any Security Agreement, including all sub-parts thereto, among any Swiss Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Swiss Guarantor or any Person who is the holder of Equity Interests in any Swiss Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of Switzerland, securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“**Swiss Withholding Tax**” shall mean any withholding tax in accordance with the Swiss Federal Statute on Anticipatory Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*) and any successor provision, as appropriate.

“Syndication Termination Date” shall mean, (i) with respect to the Initial Term Loans, the earlier to occur of (a) the first date to occur after the Closing Date on which the Mandated Lead Arrangers and their Affiliates collectively hold less than 50% of the Term Loans and (b) April 13, 2017, and (ii) with respect to the Aleris Incremental Term Loans, the Aleris Syndication Termination Date.

“Synthetic Lease Obligation” shall mean the monetary obligation of a Person under a so-called synthetic, off-balance sheet or tax retention lease.

“Tax Return” shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

“Taxes” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, payroll, social security, employment and unemployment taxes, assessments, fees or other charges imposed by any Taxing Authority, including any interest, additions to tax or penalties applicable thereto. For greater certainty it shall further be specified that Taxes shall also include any federal, cantonal and municipal direct taxes levied at source in Switzerland as per Article 51 § 1 lit. d and Article 94 of the Swiss Federal Direct Tax Act of December 14, 1990 and as per Article 21 § 2 lit. a and Article 35 § lit. e of the Swiss Federal Harmonization Direct Tax Act of December 14, 1990.

“Taxing Authority” shall mean any Governmental Authority of any jurisdiction or political subdivision thereof with the authority to impose, assess, and collect Taxes and engage in activities of a similar nature with respect to such Taxing Authority.

“Term Loan Commitment” shall mean, (i) with respect to each Lender of Term Loans other than an Aleris Incremental Term Lender and a Tranche A-1 Term Lender, the commitment, if any, of such Lender to make Term Loans hereunder up to the amount (a) in the case of Initial Term Loans, set forth on Schedule 1.01(a) to this Agreement directly under the heading “Term Loan Commitment”, (b) in the case of any other Loans (other than Aleris Incremental Term Loans and Tranche A-1 Term Loans), set forth in the Increase Joinder (other than the Aleris Increase Joinder Amendment) in respect of such Loans, (ii) in the case of an Aleris Incremental Term Lender, the Aleris Incremental Term Loan Commitment of such Lender, or (iii) in the case of a Tranche A-1 Term Lender, the Tranche A-1 Term Commitment of such Lender.

“Term Loan Purchase Amount” shall have the meaning assigned to such term in the definition of “Discounted Purchase”.

“Term Loan Repayment Date” shall have the meaning assigned to such term in Section 2.09.

“Term Loans” shall mean the Initial Term Loan, the Aleris Incremental Term Loans, the Tranche A-1 Term Loans, the Other Term Loan (other than the Tranche A-1 Term Loans), and the other Incremental Term Loans, as the context requires.

“Term SOFR” means, for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first

preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“**Test Period**” shall mean, at any time, the four consecutive fiscal quarters of the Designated Company then last ended (in each case taken as one accounting period).

“**Third Amendment**” shall mean that certain Amendment No. 3 to Credit Agreement and Amendment No. 2 to U.S. Security Agreement, dated as of February 6, 2020, among the Borrower, AV Metals, the other Loan Parties party thereto, Novelis Italia S.P.A., the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“**Third Amendment Effective Date**” shall mean the “Amendment Effective Date” as defined in the Third Amendment.

“**Third Lien Administrative Agent**” shall mean any Person acting in such capacity as administrative agent under any Third Lien Credit Agreement and its successors and assigns in such capacity.

“**Third Lien Collateral Agent**” shall mean any Person acting in such capacity as collateral agent under any Third Lien Credit Agreement and its successors and assigns in such capacity.

“**Third Lien Credit Agreement**” shall mean any credit agreement among the Loan Parties, any Third Lien Administrative Agent, any Third Lien Collateral Agent and the other parties thereto from time to time, as amended, restated, supplemented or modified from time to time to the extent permitted by this Agreement and the Intercreditor Agreement; provided that the aggregate principal amount of Indebtedness incurred thereunder does not exceed \$200,000,000.

“**Third Lien Security Documents**” shall mean any security documents under which a Lien has been granted in favor of any Third Lien Collateral Agent and/or any other Person that is a “Secured Party” under the Third Lien Credit Agreement to secure any obligations under a Third Lien Credit Agreement.

“**Title Company**” shall mean any title insurance company as shall be retained by the Designated Company and reasonably acceptable to the Administrative Agent.

“**Title Policy**” shall have the meaning assigned to such term in Schedule 5.15.

“**Total Net Leverage Ratio**” shall mean, with respect to any Calculation Date, the ratio of (a) Consolidated Total Net Debt as of the Calculation Date to (b) Consolidated EBITDA for the Test Period most recently ended prior to the Calculation Date for which financial information has been delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or (b).

“**Trade Date**” shall have the meaning assigned to such term in Section 11.04(g)(i).

“Tranche A-1 Commitment Termination Date” shall mean the date that is 10 Business Days after the Tranche A-1 Refinancing Amendment Effective Date.

“Tranche A-1 Fee Letter” shall mean the fee letter among Novelis Inc., the Tranche A-1 Term Lenders party thereto, and the other parties party thereto, dated as of March 11, 2021.

“Tranche A-1 Funding Date” shall have the meaning assigned to such term in the Tranche A-1 Refinancing Amendment.

“Tranche A-1 Maturity Date” shall mean March 31, 2028.

“Tranche A-1 Refinancing Amendment” shall mean the Refinancing Amendment to Credit Agreement, dated as of March 26, 2021, among the Borrower, Holdings, the other Loan Parties party thereto, the Third Party Security Provider, the Tranche A-1 Term Lenders party thereto, the Administrative Agent and the Collateral Agent.

“Tranche A-1 Refinancing Amendment Effective Date” shall have the meaning assigned to the term “Amendment Effective Date” in the Tranche A-1 Refinancing Amendment.

“Tranche A-1 Term Commitments” shall mean, with respect to each Tranche A-1 Term Lender, the commitment, if any, of such Tranche A-1 Term Lender to make Tranche A-1 Term Loans under the Tranche A-1 Refinancing Amendment, up to the amount set forth on Schedule 1 to the Tranche A-1 Refinancing Amendment under the heading “Tranche A-1 Term Commitment.” The aggregate amount of the Tranche A-1 Term Lenders’ Tranche A-1 Term Commitments on the Tranche A-1 Refinancing Amendment Effective Date is \$500,000,000.

“Tranche A-1 Term Lenders” shall mean (a) each financial institution listed on Schedule 1 to the Tranche A-1 Refinancing Amendment under the heading “Tranche A-1 Term Lender” and (b) any financial institution that acquires an interest in a Tranche A-1 Term Loan pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to hold any Tranche A-1 Term Loans.

“Tranche A-1 Term Loan Repayment Date” shall have the meaning assigned to such term in Section 2.09.

“Tranche A-1 Term Loans” shall mean the Term Loans extended by the Tranche A-1 Term Lenders pursuant to the Tranche A-1 Refinancing Amendment.

“Transactions” shall mean, collectively, the transactions to occur pursuant to the Loan Documents, including (a) the execution and delivery of the Loan Documents and the initial borrowings hereunder, (b) the repayment in full of all loans and other accrued and outstanding obligations under the Existing Credit Agreement on the Closing Date, and the release and termination of all security interests in connection therewith, in each case in a manner satisfactory to the Mandated Lead Arrangers; and (c) the payment of all fees and expenses to be paid on or prior to the Closing Date and owing in connection with the foregoing.

“Transfer Conditions” shall mean, with respect to any Asset Sale, (a) no Default shall have occurred and be continuing both immediately before and immediately after giving effect to such Asset Sale; (b) the Designated Company shall both immediately before and, on a Pro Forma Basis, immediately after giving effect to such Asset Sale, be in compliance with the Financial Performance Covenant, in each case as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b); and (c) such Asset Sale shall have been made for fair market value.

“**Transferred Guarantor**” shall have the meaning assigned to such term in Section 7.09.

“**Tulip Conditions**” shall mean (i) the Tulip Foundation directly owns 50% or less of the Equity Interests of Aleris German GP Holdco; provided that, if at any time after the Aleris Acquisition Closing Date the Tulip Foundation owns a lesser percentage of the Equity Interests of Aleris German GP Holdco, then on and after such date such ownership percentage may not be subsequently increased, (ii) the Tulip Foundation shall not directly or indirectly receive the benefit of any rights under the Organizational Documents of the Aleris German GP Holdco or otherwise (including under any voting rights agreement or other contractual arrangement), other than those in effect on the Third Amendment Effective Date or otherwise consented to in writing by the Administrative Agent in its sole discretion, (iii) the Tulip Foundation shall not have any direct or indirect rights to reduce or impair the value, validity or enforceability of the Guarantee, the Foreign Guarantees, or the Collateral, in each case granted by an Aleris German Non-Wholly Owned Subsidiary or a German Borrower Holding Company, or to otherwise directly or indirectly limit or prohibit the ability of the Secured Parties from enforcing any rights under any Loan Document, (iv) the Tulip Foundation shall not take any adverse action against the Collateral or any Secured Party in respect of any Loan Document, any of the Secured Obligations, or otherwise related to the Collateral or any interest of the Secured Parties in the Aleris German Non-Wholly Owned Subsidiaries and the German Borrower Holding Companies, including in connection with any enforcement of remedies by any Secured Party, and (v) if Aleris Deutschland Vier GmbH & Co. KG does not become a Loan Party on the Aleris Acquisition Closing Date, then following the appointment of managing directors of Aleris German GP Holdco that are reasonably satisfactory to the Designated Company, Aleris Deutschland Vier GmbH & Co. KG shall become a Guarantor and shall pledge its assets, including its shares in Aleris Rolled Products, in accordance with Section 5.11.

“**Tulip Foundation**” shall mean Stichting Tulip Foundation for arts, sports and elevation, a non-profit organization, and any successor or assign thereof that is a charitable non-profit organization not Controlled by the Designated Company or any of its Restricted Subsidiaries.

“**Type**,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the ~~Eurodollar Rate~~ Term SOFR or the Fallback Rate.

“**UCC**” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” shall mean the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Ulsan Joint Venture Partner**” shall mean Kobe Steel, Ltd., a company organized under the laws of Japan.

“**Ulsan JV Subsidiary**” shall mean a joint venture stock company organized, or to be organized, in Korea, and registered, or to be registered, in the Commercial Corporate Registry in Korea.

“**Ulsan Sale Agreement**” shall mean that certain share sale and purchase agreement, dated as of May 10, 2017, between NKL and the Ulsan Joint Venture Partner.

“**Ulsan Share Sale**” shall mean the sale, pursuant to the terms of the Ulsan Sale Agreement, by NKL of 49.9%% of the Equity Interests owned by NKL in the Ulsan JV Subsidiary to the Ulsan Joint Venture Partner, for cash in the amount of \$314,370,000, and the subsequent sale by NKL of 0.1% of the Equity Interests owned by NKL in the Ulsan JV Subsidiary to the Ulsan Joint Venture Partner, for cash in the amount of \$630,000.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**Undisclosed Administration**” means, in relation to a Lender or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction, if applicable law requires that such appointment not be disclosed.

“**U.K. Guarantor**” shall mean each Restricted Subsidiary of the Designated Company incorporated in England and Wales party hereto as a Guarantor, and each other Restricted Subsidiary of the Designated Company incorporated in England and Wales that becomes a Guarantor pursuant to the terms hereof, and, on and after the Designated Holdco Effective Date, Designated Holdco.

“**U.K. Holdco**” shall mean a newly formed direct Wholly Owned Subsidiary of AV Minerals, organized under the laws of England and Wales, formed in connection with the Permitted Reorganization.

“**U.K. Security Agreement**” shall mean, collectively, (i) any Security Agreement, including all sub-parts thereto, among any U.K. Guarantors (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, charge, assignment, guarantee or other agreement that is entered into by any U.K. Guarantor or any Person who is the holder of Equity Interests in any U.K. Guarantor in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement, charge, assignment or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of England and Wales, securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“**United States**” shall mean the United States of America.

“**Unrestricted Cash**” shall mean cash and Cash Equivalents of the Designated Company and its Restricted Subsidiaries (in each case, free and clear of all Liens (other than Liens permitted pursuant to Section 6.02(a), (j), and (k))), to the extent the use thereof for the application to payment of Indebtedness is not prohibited by law or any contract to which the Designated Company or any of the Restricted Subsidiaries is a party and excluding cash and

Cash Equivalents which are listed as “restricted” on the consolidated balance sheet of the Designated Company and its Subsidiaries as of such date.

“**Unrestricted Grantors**” shall mean Loan Parties that are not Restricted Grantors.

“**Unrestricted Subsidiary**” shall mean Novelis Services (Europe) Inc., Novelis Services (North America) Inc. and any Subsidiary of the Designated Company designated by the Board of Directors of the Designated Company as an Unrestricted Subsidiary pursuant to Section 5.16 subsequent to the Closing Date.

“**Upfront Fee Letter**” shall mean the fee letter between the Borrower and the Lenders, dated January 10, 2017.

“**Upfront Fees**” shall have the meaning assigned to such term in the Upfront Fee Letter.

“**US GAAP**” shall have the meaning assigned to such term in Section 1.04.

“**U.S. Government Securities Business Day**” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“**U.S. Guarantor**” shall mean each Co-Borrower or Restricted Subsidiary of the Designated Company organized in the United States, any state thereof or the District of Columbia, party hereto as a Guarantor, and each other Co-Borrower or Restricted Subsidiary of the Designated Company incorporated in the United States, any state thereof or the District of Columbia that becomes a Guarantor pursuant to the terms hereof.

“**U.S. Hold Separate Assets**” shall mean the assets of Aleris Rolled Products, Inc. located at its plant in Lewisport, KY, and its research and development center in Madison Heights, MI, and all ancillary assets of Aleris Rolled Products, Inc. and/or other U.S. Subsidiaries of Aleris directly related to the operation of such plant or such research and development center, solely to the extent that such assets are required to be held and maintained separate from the other businesses and operations of the Companies and Aleris Rolled Products, Inc. pursuant to the U.S. Hold Separate Order and the U.S. Hold Separate Agreements, collectively.

“**U.S. Hold Separate Order**” shall mean the order to hold certain U.S. Hold Separate Assets separate from the businesses and assets of the Companies entered by the United States District Court for the Northern District of Ohio on January 9, 2020 in the matter of United States of America v. Novelis, Inc. and Aleris Corporation, No. 19-CV-02033 (filed N.D. Ohio Sept. 4, 2019).

“**U.S. Hold Separate Agreements**” shall mean all agreements (and any replacements thereof entered into with the prior written consent of the Administrative Agent) among Novelis Inc. and/or any of its U.S. Subsidiaries, and one or more United States Governmental Authorities, in each case entered into in connection with the U.S. Hold Separate Order on or before the Aleris Acquisition Closing Date, copies of which shall be delivered to the Administrative Agent and the Lenders promptly upon the execution thereof; provided that (x) such agreements shall not restrict the pledge of assets of the Companies other than the assets of Aleris Rolled Products, Inc. located at its plant in Lewisport, KY, and all ancillary assets of Aleris Rolled Products, Inc. and/or other U.S. Subsidiaries of Aleris directly related to the operation of such plant and (y) the restrictions on pledging the assets of Aleris Rolled Products, Inc. located at its plant in Lewisport, KY, and all ancillary assets of Aleris Rolled Products, Inc.

and/or other U.S. Subsidiaries of Aleris directly related to the operation of such plant set forth in such agreements shall not, taken as a whole, be materially more restrictive, in the good faith determination of Novelis Inc., than the restrictions on pledging such assets set forth in the U.S. Hold Separate Order (it being understood that the restrictions set forth in such agreements may be more detailed than those set forth in the U.S. Hold Separate Order).

“U.S. Issuer” shall mean Novelis Corporation.

“U.S. Loan Parties” shall mean Novelis Acquisitions (and, immediately after giving effect to the merger of Novelis Acquisitions with and into Aleris in connection with the Aleris Acquisition, Aleris) and the U.S. Guarantors.

“U.S. Person” shall mean any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Security Agreement” shall mean, collectively (i) any Security Agreement (including all subparts thereto) among any U.S. Loan Parties (and such other Persons as may be party thereto) and the Collateral Agent for the benefit of the Secured Parties, (ii) each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any U.S. Loan Party or any Person who is the holder of Equity Interests in any U.S. Loan Party in favor of the Collateral Agent and/or the Revolving Credit Collateral Agent in its capacity as agent for the Secured Parties pursuant to the terms of the Intercreditor Agreement and the other Loan Documents, and (iii) any other pledge agreement, mortgage, security agreement or other agreement entered into pursuant to the terms of the Loan Documents, in each case of clauses (i), (ii) and (iii), that is governed by the laws of the United States (or any subdivision thereof), securing the Secured Obligations, and entered into pursuant to the terms of this Agreement or any other Loan Document, as the same may be amended, restated or otherwise modified from time to time.

“U.S. Tax Obligor” shall mean (a) a Co-Borrower which is resident for tax purposes in the United States; or (b) a Loan Party some or all of whose payments under the Loan Documents are from sources within the United States for U.S. federal income tax purposes.

“Voting Stock” shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

“Weighted Average Life to Maturity” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“Wholly Owned Subsidiary” shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors’ qualifying shares) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership, association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% equity interest at such time.

“Wind-Up” shall have the meaning assigned to such term in Section 6.05(g), and the term **“Winding-Up”** shall have a meaning correlative thereto.

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” shall mean any Loan Party and the Administrative Agent.

“Write-Down and Conversion Powers” shall mean (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., an “Initial Term Loan” or an “Incremental Term Loan”) or Type (e.g., a “~~Eurodollar~~RateSOFR Loan”). Borrowings also may be classified and referred to by Class or Type (e.g., a “~~Eurodollar~~SOFR Term ~~Borrowing~~Loan”).

Section 1.03 Terms Generally; Currency Translation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any Loan Document, agreement, instrument or other document (including any Organizational Document) herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document, including the restrictions set forth in the definition of Aleris Merger Agreement), (b) any reference herein to any person shall be construed to include such person’s successors and assigns, (c) any reference to a Subsidiary of a Person shall include any direct or indirect Subsidiary of such Person, (d) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (f) any reference to any law or regulation herein shall include all statutory and regulatory provisions consolidating, amendment or interpreting such law or regulation and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (g) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (h) “on,” when used with respect to the Mortgaged Property or any property adjacent to the Mortgaged Property, means “on, in, under, above or about.” For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in dollars, such amounts shall be deemed to refer to Dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate in effect on the Business Day immediately preceding the date of such transaction or determination and the permissibility of actions taken under Article VI shall not be affected by

subsequent fluctuations in exchange rates (provided that if Indebtedness is incurred to refinance other Indebtedness, and such refinancing would cause the applicable dollar denominated limitation to be exceeded if calculated at the Spot Selling Rate in effect on the Business Day immediately preceding the date of such refinancing, such dollar denominated restriction shall be deemed not to have been exceeded so long as (x) such refinancing Indebtedness is denominated in the same currency as such Indebtedness being refinanced and (y) the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced except as permitted by the definition of Permitted Refinancing Indebtedness). For purposes of this Agreement and the other Loan Documents, the word “foreign” shall refer to jurisdictions other than the United States, the states thereof and the District of Columbia. From and after the effectiveness of the Permitted Holdings Amalgamation, all references to Borrower in any Loan Document shall refer to the Successor Borrower and (ii) all references to Holdings in any Loan Document shall refer to “Holdings” as defined herein. Subject to Section 11.17, in the case of a conflict between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall govern and control.

For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) subject to or governed by the laws of the Province of Quebec and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) “personal property” shall be deemed to include “movable property”, (b) “real property” shall be deemed to include “immovable property”, (c) “tangible property” shall be deemed to include “corporeal property”, (d) “intangible property” shall be deemed to include “incorporeal property”, (e) “security interest”, “mortgage” and “lien” shall be deemed to include a “hypothec”, “prior claim” and a “resolutive clause”, (f) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code, (g) all references to “perfection” of or “perfected” Liens shall be deemed to include a reference to an “opposable” or “set up” Liens as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall be deemed to include a “right of compensation”, (i) “goods” shall be deemed to include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall be deemed to include a “mandatary” or the “hypothecary representative of the Secured Parties”, as the case may be, (k) “construction liens” shall be deemed to include “legal hypothecs”, (l) “joint and several” shall be deemed to include “solidary”, (m) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault”, (n) “beneficial ownership” shall be deemed to include “ownership on behalf of another as mandatary”, (o) “easement” shall be deemed to include “servitude”, (p) “priority” shall be deemed to include “prior claim”, (q) “survey” shall be deemed to include “certificate of location and plan”, and (r) “fee simple title” shall be deemed to include “absolute ownership”.

Section 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with generally accepted accounting principles in the United States applied on a consistent basis as in effect from time to time (“US GAAP”) and all terms of an accounting or financial nature shall be construed and interpreted in accordance with US GAAP, as in effect from time to time unless otherwise agreed to by the Designated Company and the Required Lenders or as set forth below; provided that (i) the Designated Company may elect to convert from US GAAP for the purposes of preparing its financial statements and keeping its books and records to IFRS and if the Designated Company makes such election it shall give prompt written notice to the Administrative Agent and the Lenders within five Business Days of such election, along with a reconciliation of the Designated Company’s financial statements covering the four most recent fiscal quarters for which financial statements are available (including a reconciliation of the Designated Company’s audited financial statements prepared during such period), (ii) upon election of any conversion to IFRS, the Administrative Agent, the Lenders and the Designated

Company shall negotiate in good faith to amend the financial ratios and requirements and other terms of an accounting or a financial nature in the Loan Documents to preserve the original intent thereof in light of such conversion to IFRS (subject to the approval of the Required Lenders); provided that, until so amended (x) such ratios or requirements (and all terms of an accounting or a financial nature) shall continue to be computed in accordance with US GAAP prior to such conversion to IFRS and (y) the Designated Company shall provide to the Administrative Agent and the Lenders any documents and calculations required under this Agreement or as reasonably requested hereunder by the Administrative Agent or any Lender setting forth a reconciliation between calculations of such ratios and requirements and other terms of an accounting or a financial nature made before and after giving effect to such conversion to IFRS and (iii) if at any time any change in US GAAP or change in IFRS would affect the computation of any financial ratio or requirement or other terms of an accounting or a financial nature set forth in any Loan Document, and the Designated Company or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Designated Company shall negotiate in good faith to amend such ratio or requirement or other terms of an accounting or a financial nature to preserve the original intent thereof in light of such change in US GAAP or change in IFRS (subject to the approval of the Required Lenders); provided that, until so amended, (x) such ratio or requirement or other terms of an accounting or a financial nature shall continue to be computed in accordance with US GAAP prior to such change therein or change in IFRS and (y) the Designated Company shall provide to the Administrative Agent and the Lenders any documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement or other terms of an accounting or a financial nature made before and after giving effect to such change in US GAAP or change in IFRS. Notwithstanding the foregoing, for purposes of determining compliance with any covenant contained herein, Indebtedness of Holdings, the Designated Company and its Subsidiaries (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded. For the avoidance of doubt, with respect to the incurrence of any Indebtedness or the making of any Investment, Asset Sale, Sale Leaseback Transaction or Restricted Payment in reliance on any provision of Article VI hereof that is based on a percentage of Consolidated Net Tangible Assets, such provision shall be deemed to be tested solely upon incurrence of such Indebtedness or the making of any such Investment, Asset Sale, Sale Leaseback Transaction or Restricted Payment with respect to Consolidated Net Tangible Assets as of the end of the most recent period for which financial statements have been delivered under Section 5.01(a) or (b). Notwithstanding anything to the contrary in this Agreement, regardless of whether Ulsan JV Subsidiary is a Subsidiary, the financial results of Ulsan JV Subsidiary shall be included in all consolidated financial results of the Designated Company and its Subsidiaries to the extent the Designated Company consolidates the results of Ulsan JV Subsidiary in its financial statements in accordance with US GAAP; provided that the proportionate interest of the Ulsan Joint Venture Partner in the Ulsan JV Subsidiary and any liability of the Ulsan JV Subsidiary to pay Distributions to the Ulsan Joint Venture Partner with respect to such proportionate interest shall be excluded for the purposes of all financial definitions under this Agreement. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall be deemed to require the consolidation of Ulsan JV Subsidiary into the consolidated financial results of the Designated Company to the extent not required under US GAAP.

Section 1.05 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

Section 1.06 Pro Forma Calculations. Notwithstanding anything to the contrary herein, the Total Net Leverage Ratio, the Senior Secured Net Leverage Ratio, the Secured Net Leverage Ratio and the Consolidated Interest Coverage Ratio shall be calculated on a Pro Forma Basis with respect to each Specified Transaction occurring during the applicable four quarter period to which such calculation relates, or subsequent to the end of such four-quarter period but not later than the date of such calculation (such period, the “**Measurement Period**”); provided that notwithstanding the foregoing, (a) when calculating the Senior Secured Net Leverage Ratio for purposes of determining the applicable percentage of Excess Cash Flow set forth in Section 2.10(f), such calculation shall be made on a Pro Forma Basis with respect to Specified Transactions shall not give effect to Specified Transactions occurring subsequent to the applicable four quarter period and (b) for the purpose of calculating the Total Net Leverage Ratio, the Senior Secured Net Leverage Ratio, and the Secured Net Leverage Ratio on a Pro Forma Basis on any date, Consolidated Total Net Debt shall be increased on a Dollar Equivalent for Dollar Equivalent basis by the lesser of (x) the amount of cash and Cash Equivalents paid by the Companies subsequent to the end of the applicable four quarter period and on or prior to the applicable date of determination, in connection with Specified Transactions and (y) the maximum amount of cash and Cash Equivalents constituting Unrestricted Cash as of the end of the applicable four quarter period.

Section 1.07 Calculation of Reference Bank Rate and Cost of Funds.

(a) Subject to clause (b) below, if the Fallback Rate is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the ~~Specified Time~~Periodic Term SOFR Determination Day, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about the ~~Specified Time~~Periodic Term SOFR Determination Day, none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

(c) If the Fallback Rate is to be determined on the basis of the Cost of Funds and the Administrative Agent or the Designated Company so requires, the Administrative Agent and the Designated Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest. Any alternative basis agreed pursuant to the immediately preceding sentence shall, with the prior consent of all the Lenders and the Designated Company, be binding on all Parties.

(d) If the Fallback Rate applies, the Administrative Agent shall, as soon as is practicable, notify the Designated Company.

Section 1.08 Role of Reference Banks.

(a) No Reference Bank, in its capacity as such, is under any obligation to provide a quotation or any other information to any Agent.

(b) No Reference Bank, in its capacity as such, will be liable for any action taken by it under or in connection with any Loan Document, or for any Reference Bank Quotation, unless directly caused by such Reference Bank’s gross negligence or willful misconduct.

(c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Loan Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Section 1.08.

(d) Except as otherwise expressly set forth herein, no Reference Bank that obtains the benefits of this Section 1.08, shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents.

(e) A Reference Bank which is not a Party may rely on this Section 1.08, and Section 1.09.

Section 1.09 Confidentiality of Funding Rates and Funding Bank Quotations.

(a) Confidentiality and Disclosure

(i) The Administrative Agent and each Loan Party agree to keep each Funding Rate (and, in the case of the Administrative Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(ii) The Administrative Agent may disclose:

(1) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to any Loan Party; and

(2) any Funding Rate or any Reference Bank Quotation to any Person appointed by it to provide administration services in respect of one or more of the Loan Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement in form and substance reasonably acceptable to the Administrative Agent and the relevant Lender or Reference Bank, as the case may be.

(iii) The Administrative Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Loan Party may disclose any Funding Rate, to:

(1) any of its Affiliates and any of its or their respective Related Parties if any Person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this clause (1) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;

(2) any Person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Administrative Agent or the relevant Loan Party, as the case may be, it is not practicable to do so in the circumstances;

(3) any Person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the Person to whom that Funding Rate or

Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Administrative Agent or the relevant Loan Party, as the case may be, it is not practicable to do so in the circumstances; and

(4) any Person with the consent of the relevant Lender or Reference Bank, as the case may be.

(iv) The Administrative Agent's obligations in this Section 1.09 relating to Reference Bank Quotations are without prejudice to any obligation it has to notify the Loan Parties and the Lenders of the determination of a rate of interest under this Agreement; provided that (other than pursuant to clause (ii)(1) above) the Administrative Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

(b) Related Obligations

(i) The Administrative Agent and each Loan Party acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities laws relating to insider dealing and market abuse and the Administrative Agent and each Loan Party undertake not to use any Funding Rate or, in the case of the Administrative Agent, any Reference Bank Quotation, for any unlawful purpose.

(ii) The Administrative Agent and each Loan Party agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:

(1) of the circumstances of any disclosure made pursuant to clause (iii)(2) except where such disclosure is made to any of the persons referred to in that clause during the ordinary course of its supervisory or regulatory function; and

(2) upon becoming aware that any information has been disclosed in breach of this Section 1.09.

(c) No Event of Default

(i) No Event of Default shall occur solely as a result of a Loan Party's failure to comply with this Section 1.09.

Section 1.10 Amendments to Permitted Customer Account Financing Definition Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, if the definition of "Permitted Customer Account Financing" in the Revolving Credit Agreement is amended after the Second Amendment Effective Date (each such amendment to such definition, a "**Permitted ABL Customer Account Financing Amendment**"), then on and after the first date that the Companies have complied with the Permitted Customer Account Financing Amendment Conditions in respect of such Permitted ABL Customer Account Financing Amendment, such Permitted ABL Customer Account Financing Amendment shall automatically be deemed to have amended the definition of Permitted Customer Account Financing in this Agreement, and shall be incorporated by reference in the definition of Permitted Customer Account Financing in this Agreement as if set forth fully herein, *mutatis mutandis*. Thereafter, upon the request of the Administrative Agent or any Lender, the Designated Company and the Administrative Agent shall enter into an additional agreement or an amendment to this

Agreement (as the Administrative Agent may request), evidencing the incorporation of such Permitted ABL Customer Account Financing Amendment. As of the Second Amendment Effective Date, each Lender party to the Second Amendment, which Lenders constitute the Required Lenders, and each Lender that becomes a party to this Agreement after the Second Amendment Effective Date, expressly consents to the terms of this Section 1.10, and hereby agrees that any amendments to the definition of Permitted Customer Account Financing effected pursuant to this Section 1.10 after the Second Amendment Effective Date shall be deemed to have been consented to by such Lenders (and any successor or permitted assign thereof).

Section 1.11 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.12 Rates. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to any interest rates used in this Agreement, including the Fallback Rate, the Reference Bank Rate, Cost of Funds, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Fallback Rate, the Reference Bank Rate, Cost of Funds, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Fallback Rate, the Reference Bank Rate, Cost of Funds, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower and the Co-Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Fallback Rate, the Reference Bank Rate, Cost of Funds, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Co-Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II

THE CREDITS

Section 2.01 Commitments.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender party hereto on the Closing Date agrees, severally and not jointly, to make a Term Loan in Dollars to the Borrower on the Closing Date as set forth herein in the principal amount not to exceed its Term Loan Commitment on the Closing Date.

(b) Subject to the terms and conditions of the Aleris Increase Joinder Amendment (including the conditions precedent set forth in Section 5 of the Aleris Increase Joinder Amendment) and this Agreement and relying upon the representations and warranties therein and herein set forth, each Aleris Incremental Term Lender agrees, severally and not jointly, to make an Aleris Incremental Term Loan in Dollars to Novelis Acquisitions on the Aleris Incremental Escrow Date as set forth herein and in the Aleris Increase Joinder Amendment, in the aggregate principal amount not to exceed its Aleris Incremental Term Loan Commitment on the Aleris Incremental Escrow Date; provided that such Aleris Incremental Term Loans shall be deposited with the Escrow Agent in the Escrow Account pursuant to the terms of Section 2.21 on the Aleris Incremental Escrow Date, and while on deposit with the Escrow Agent in the Escrow Account, shall be subject to the terms and conditions set forth in Section 2.21 and the Aleris Increase Joinder Amendment.

(c) Subject to the terms and conditions of the Tranche A-1 Refinancing Amendment and this Agreement and relying upon the representations and warranties therein and herein set forth, each Tranche A-1 Term Lender agrees, severally and not jointly, to make a Tranche A-1 Term Loan in Dollars to the Borrower on the Tranche A-1 Funding Date as set forth herein and in the Tranche A-1 Refinancing Amendment, in the aggregate principal amount not to exceed its Tranche A-1 Term Commitment on the Tranche A-1 Funding Date.

(d) Subject to the terms and conditions and relying upon the representations and warranties set forth in the any Increase Joinder and in this Agreement, each Additional Lender signatory to such Increase Joinder agrees, severally and not jointly, to make a Term Loan in Dollars to the Co-Borrower specified in such Increase Joinder on the funding date set forth in such Increase Joinder in the principal amount not to exceed the Incremental Term Loan Commitment specified in such Increase Joinder.

(e) Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

Section 2.02 Loans

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; provided that the failure of any Lender to make its Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Borrowing shall be in an aggregate principal amount that is not less than (and in integral amounts consistent with) the Minimum Amount.

(b) Subject to Section 2.11 and Section 2.12, each Borrowing shall be comprised entirely of ~~Eurodollar Rate~~SOFR Loans, in each case as the applicable Co-Borrower may request pursuant to Section 2.03. Each Lender may at its option make any ~~Eurodollar Rate~~SOFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and the first proviso to Section 2.16(a) shall apply to such Loan *mutatis mutandis* unless such Loan is funded by such branch or Affiliate in accordance with Section 2.16(b)); provided that any exercise of such option shall not affect the obligation of the Co-Borrowers to repay such Loan in accordance with the terms of this Agreement. No Co-Borrower shall be entitled to request any Borrowing that, if made, would result in more than three (3) ~~Eurodollar Rate~~SOFR Borrowings by such Co-Borrower hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods and a different Co-Borrower, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in London as the

Administrative Agent may designate (and, in the case of the Aleris Incremental Term Loans funded on the Aleris Incremental Escrow Date, to the Escrow Account), not later than 3:00 p.m., London time, and, except as otherwise provided in Section 2.21 with respect to the Escrowed Term Loans, the Administrative Agent shall promptly credit the amounts so received (x) to an account of the applicable Co-Borrower maintained with the Administrative Agent or (y) in the case of a Borrowing of Tranche A-1 Term Loans, to the repayment of Initial Term Loans, in either case, as directed by the applicable Co-Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified or specified in the Aleris Increase Joinder Amendment, the applicable Increase Joinder, or the Tranche A-1 Refinancing Amendment shall not have been met, except as otherwise provided in Section 2.21 with respect to the Escrowed Term Loans, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may, in reliance upon such assumption, except as otherwise provided in Section 2.21 with respect to the Escrowed Term Loans, make available to the applicable Co-Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and such Co-Borrower severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Co-Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Co-Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the greater of the Interbank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and such Co-Borrower's obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease.

(e) Notwithstanding anything to the contrary contained herein, the Co-Borrowers shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date of such Loans.

Section 2.03 Borrowing Procedure.

(a) To request a Borrowing, the Designated Company shall deliver, by hand delivery, telecopier or, to the extent separately agreed by the Administrative Agent, by an electronic communication in accordance with the second sentence of Section 11.01(b) and the second paragraph of Section 11.01(d), a duly completed and executed Borrowing Request to the Administrative Agent not later than 10:00 a.m., London time, three (3) Business Days before the date of the proposed Borrowing. Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the names of the Co-Borrower(s) requesting such Borrowing(s) and the aggregate amount of such Borrowing(s), together with a schedule attached to such Borrowing Request, which schedule shall specify (x) the amount required to be funded by each Aleris Incremental Term Lender based on its pro rata share of the Aleris Incremental Term Loan Commitments (and which amount shall not exceed such Aleris

Incremental Term Lender's Aleris Incremental Term Loan Commitment), which amount shall give effect to any net funding in respect thereof in accordance with the terms of the applicable Fee Letters, and which schedule shall clearly indicate each Aleris Incremental Term Lender that is net funding (for the avoidance of doubt, only arranger fees may be net funded) or (y) the amount required to be funded by each Tranche A-1 Term Lender based on its pro rata share of the Tranche A-1 Term Commitments (and which amount shall not exceed such Tranche A-1 Term Lender's Tranche A-1 Term Commitment);

(ii) the date of such Borrowing(s), which shall be a Business Day (and (A) in the case of the Aleris Incremental Term Loans, (x) such Business Day shall occur on or prior to the Aleris Incremental Commitment Termination Date, and (y) such date shall be the date that the Aleris Incremental Term Loans are to be funded into the Escrow Account pursuant to Section 2.21 and (B) in the case of Tranche A-1 Term Loans, such Business Day shall occur on or prior to the Tranche A-1 Commitment Termination Date);

(iii) the initial Interest Period to be applicable to each such Borrowing, which shall be a period contemplated by the definition of the term "Interest Period" (and, in the case of the initial Interest Period applicable to Aleris Incremental Term Loans funded into the Escrow Account, shall be an Interest Period of one month);

(iv) the location and number of such Co-Borrowers' account(s) to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c); provided that, in the case of a Borrowing of Aleris Incremental Term Loans, such account shall be the Escrow Account; provided, further, that in the case of a Borrowing of Tranche A-1 Term Loans, the Co-Borrower shall direct that the proceeds of such Borrowings received by the Administrative Agent shall be applied directly by the Administrative Agent to repay Initial Term Loans; and

(v) in the case of the initial Credit Extension hereunder, under the Aleris Incremental Term Loan Commitments, under the Tranche A-1 Term Commitments, or under any Incremental Term Loan Commitments, that the conditions set forth in Section 4.03(b) - (d) have been satisfied as of the date of the notice, and in the case of Aleris Incremental Term Loans, that the Aleris Acquisition Closing Date and the Aleris Incremental Funding Date is expected to occur within three Business Days after the date designated pursuant to clause (ii) above, and that the conditions referred to in Section 6 of the Aleris Increase Joinder Amendment shall be satisfied on the Aleris Incremental Funding Date.

Subject to the second proviso in the definition of "Interest Period," and except as provided in Section 2.21, if no Interest Period is specified with respect to any requested ~~Eurodollar Rate~~ SOFR Borrowing, then the Co-Borrowers shall be deemed to have selected an Interest Period of three month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(b) Appointment of the Designated Company as Administrative Borrower. Each Co-Borrower hereby irrevocably appoints and constitutes the Designated Company as its agent to

request Loans and give notices pursuant to this Agreement in the name of or on behalf of such Co-Borrower. The Administrative Agent and Lenders may disburse the Loans to such bank account of the Designated Company or a Co-Borrower or otherwise make such Loans to a Co-Borrower as the Designated Company may designate or direct, including pursuant to the escrow provisions in Section 2.21, without notice to any other Co-Borrower or Guarantor. Each Loan Party hereby irrevocably appoints and constitutes the Designated Company as its agent to receive statements of account and all other notices from the Agents, the Escrow Agent and Lenders with respect to the Secured Obligations or otherwise under or in connection with this Agreement and the other Loan Documents, including the Intercreditor Agreement. Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Loan Party by the Designated Company shall be deemed for all purposes to have been made by such Loan Party, as the case may be, and shall be binding upon and enforceable against such Loan Party to the same extent as if made directly by such Loan Party. The Designated Company hereby accepts the appointment by the Co-Borrowers and the other Loan Parties to act as the agent of the Co-Borrowers and the other Loan Parties and agrees to ensure that the disbursement of any Loans to another Co-Borrower requested by or paid to or for the account of such Co-Borrower shall be paid to or for the account of such Co-Borrower and, in the case of Aleris Incremental Term Loans, shall be in accordance with the terms of Section 2.21. No purported termination of the appointment of the Designated Company as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to the Administrative Agent and appointment by the Co-Borrowers of a replacement agent for such Co-Borrowers.

Section 2.04 Repayment of Loans; Evidence of Debt.

(a) Promise to Repay. Each Co-Borrower hereby unconditionally promises to pay to the Administrative Agent, for the account of each applicable Lender, the then unpaid principal amount of each Term Loan of such Lender made to such Co-Borrower on the Maturity Date of such Class of Term Loans outstanding at such time, together with all other Obligations relating to such Class of Term Loans outstanding at such time. All payments or repayments of Loans made pursuant to this Section 2.04(a) shall be made in Dollars.

(b) Lender and Administrative Agent Records. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Co-Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type and Class thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from the Co-Borrower to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Co-Borrowers to repay the Loans in accordance with their terms.

(c) Promissory Notes. Any Lender by written notice to Designated Company (with a copy to the Administrative Agent) may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Co-Borrowers shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender or its registered assigns in the form of Exhibit K (with, in the case of Loans other than the Initial Term Loans, such changes as are appropriate, in the Administrative Agent's reasonable discretion, to reflect the terms of such Loans). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all

times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to such payee or its registered assigns.

Section 2.05 Fees.

- (a) Fees. The Borrower agrees to pay all Fees payable pursuant to each Fee Letter, in the amounts and on the dates set forth therein.
- (b) All Fees shall be paid on the dates due, in immediately available funds in dollars, to the Administrative Agent. Once paid, none of the Fees shall be refundable under any circumstances.

Section 2.06 Interest on Loans.

(a) Fallback Rate Loans. Subject to the provisions of Section 2.06(c), the Loans comprising each Fallback Rate Borrowing shall bear interest at a rate per annum equal to the Fallback Rate plus the Applicable Margin; provided that for any Interest Period of less than one month, the Fallback Rate shall be calculated based on an Interest Period of one month; provided, further, that Incremental Term Loans and Other Term Loans may have a different Applicable Margin as provided for in Sections 2.23 and 2.24, subject to the provisions thereof.

(b) ~~Eurodollar-Rate~~SOFR Loans. Subject to the provisions of Section 2.06(c), the Loans comprising each ~~Eurodollar-Rate~~SOFR Borrowing shall bear interest at a rate per annum equal to ~~the Eurodollar-Rate~~Adjusted Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Margin; provided that for any Interest Period of less than one month, ~~the Eurodollar-Rate~~Adjusted Term SOFR shall be calculated based on an Interest Period of one month; provided, further, that Incremental Term Loans and Other Term Loans may have a different Applicable Margin as provided for in Sections 2.23 and 2.24, subject to the provisions thereof.

(c) Default Rate. Notwithstanding the foregoing or anything to the contrary in Section 2.21(c), if at any time any principal of or interest on any Loan or any fee or other amount payable by the Loan Parties hereunder has not been paid when due, whether at stated maturity, upon acceleration or otherwise and for so long as such amounts have not been paid, such overdue amount shall, to the extent permitted by applicable law, bear interest, after as well as before judgment, at a per annum rate equal to (i) in the case of principal of or interest on any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.06 and of Sections 2.11, 2.12 and 2.21(c) or (ii) in the case of any other amount, 2% plus the rate applicable to ~~Eurodollar-Rate~~SOFR Loans as provided in Section 2.06(b) (in either case, the “**Default Rate**”).

(d) Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to Section 2.06(c) shall be payable on demand, (ii) interest accrued on Escrowed Term Loans shall be payable as provided in Section 2.21, (iii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iv) in the event of any conversion of any ~~Eurodollar-Rate~~SOFR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Interest Calculation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Fallback Rate, Adjusted Term SOFR, or ~~Eurodollar-Rate~~Term SOFR shall be determined by the Administrative Agent in accordance with

the provisions of this Agreement and such determination shall be conclusive absent manifest error.

(f) Currency for Payment of Interest. All interest paid or payable pursuant to this Section 2.06 shall be paid in Dollars.

(g) Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 2.07 Termination and Reduction of Commitments.

(a) Automatic Termination.

(i) Any undrawn Term Loan Commitments under clause (i)(a) of such definition shall automatically terminate at 5:00 p.m., London time, on the earlier to occur of (x) the Closing Date and (y) the Agreement Termination Date.

(ii) To the extent that any Aleris Incremental Term Lender's Commitments have not been terminated pursuant to Section 2.21(d), any undrawn Aleris Incremental Term Loan Commitments shall automatically terminate at the earlier to occur of (x) the Escrow Release Time and (y) the Aleris Incremental Commitment Termination Date.

(iii) Any undrawn Tranche A-1 Term Commitments shall automatically terminate at the earlier to occur of (x) the Tranche A-1 Commitment Termination Date and (y) the Tranche A-1 Funding Date (after giving effect to the funding of any Tranche A-1 Term Loans on such date).

(iv) Any undrawn Incremental Term Loan Commitments (other than the Aleris Incremental Term Loan Commitments) shall automatically terminate in accordance with the terms and conditions set forth in the applicable Increase Joinder.

(b) Optional Termination or Reduction. The applicable Co-Borrowers shall have the right at any time to terminate, or from time to time permanently reduce, the undrawn Commitments of any Class; provided that each such reduction of any Class shall be in an amount that is not less than (and in integral amounts consistent with) the Minimum Amount or, if less, the remaining amount of the Commitments of such Class. The Designated Company shall notify the Administrative Agent by written notice of any commitment termination or reduction under this clause not later than 11:00 a.m., London time, three (3) Business Days before the date of such termination or reduction. Each such notice shall be irrevocable; provided that if such notice indicates that it is conditioned upon the effectiveness of other credit facilities or any other financing, sale or other transaction, such notice of prepayment may be revoked if such credit facilities, other financing, sale or other transaction is not consummated. Each such notice shall specify the termination or reduction date, and the amount of each Class of Commitments or

portion thereof to be terminated or reduced. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof.

Section 2.08 Interest Elections

(a) Generally. Each Borrowing ~~was~~ initially ~~shall be funded as~~ a Eurodollar ~~Rate-Borrowing~~ rate borrowing and ~~shall have had~~ an initial Interest Period as specified in ~~such~~ the applicable Borrowing Request (and, in the case of Aleris Incremental Term Loans that are funded to the Escrow Agent on the Aleris Incremental Escrow Date, shall be an interest period of one month, and such Interest Period shall remain in effect following the funding of the Escrowed Amounts to the applicable Co-Borrower (or to the Person designated by the applicable Co-Borrower to receive such Escrowed Amounts pursuant to Section 2.21) on the Aleris Acquisition Closing Date). At the end of the Interest Period that was in effect on the Amendment No. 7 Effective Date, so long as no Default exists at such time, any Loans bearing interest at the Eurodollar rate then outstanding shall automatically be converted into SOFR Loans with an Interest Period of three months unless the Designated Company has otherwise delivered an Interest Election Request to the Administrative Agent directing otherwise in accordance with this Agreement. Thereafter, subject to Sections 2.11 and 2.12, the applicable Co-Borrower may elect to rollover or continue such Borrowing and the Interest Periods therefor, all as provided in this Section. Subject to Sections 2.11 and 2.12, the applicable Co-Borrower may elect different options with respect to different portions (not less than the Minimum Amount) of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary, (i) no Co-Borrower shall be entitled to request any conversion, rollover or continuation that, if made, would result in more than three (3) ~~Eurodollar Rate~~ SOFR Borrowings by such Co-Borrower outstanding hereunder at any one time and (ii) if two or more Interest Periods relate to Borrowings made to the same Co-Borrower and end on the same date, those Borrowings will be consolidated into, and treated as, a single Borrowing on the last day of the Interest Period.

(b) Interest Election Notice. To make an election pursuant to this Section, the Designated Company shall deliver, by hand delivery, telecopier or, to the extent separately agreed by the Administrative Agent, by an electronic communication in accordance with the second sentence of Section 11.01(b) and the second paragraph of Section 11.01(d), a duly completed and executed Interest Election Request to the Administrative Agent not later than 10:00 a.m., London time, four (4) Business Days before the effective date of such election. Each Interest Election Request shall be irrevocable. Each Interest Election Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clause (iii) below shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day; and
- (iii) the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated, as applicable, by the definition of the term "Interest Period".

Subject to the first proviso in the definition of “Interest Period”, if any such Interest Election Request requests a ~~Eurodollar Rate~~SOFR Borrowing but does not specify an Interest Period, then the Co-Borrowers shall be deemed to have selected an Interest Period of three month’s duration.

Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(c) Failure to Select an Interest Period. If an Interest Election Request with respect to a ~~Eurodollar Rate~~SOFR Borrowing is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, the immediately following Interest Period shall be three months.

Section 2.09 Amortization of Term Loan Borrowings.

(a) The Co-Borrowers shall pay to the Administrative Agent, for the account of the Lenders holding Initial Term Loans, on the dates set forth on Annex I, or if any such date is not a Business Day, on the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such amount shall be payable on the immediately preceding Business Day (each such date, a “**Term Loan Repayment Date**”), a principal amount of the Initial Term Loans equal to the amount set forth on Annex I for such date (as adjusted from time to time pursuant to Section 2.10(g)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. Notwithstanding anything to the contrary contained herein or in any other Loan Document, all outstanding Initial Term Loans shall be deemed to constitute Term Loans of the same Class and shall all amortize as set forth on Annex I.

(b) The Co-Borrowers shall pay to the Administrative Agent, for the account of the Aleris Incremental Term Lenders, on the last day of each fiscal quarter of the Designated Company, commencing with the last day of the first fiscal quarter ended after the Aleris Incremental Funding Date, through and including the last day of the fiscal quarter ended immediately prior to the Aleris Incremental Maturity Date, or if any such date is not a Business Day, on the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such amount shall be payable on the immediately preceding Business Day (each such date, a “**Aleris Incremental Term Loan Repayment Date**”), a principal amount of the Aleris Incremental Term Loans equal to \$1,937,500 (as adjusted from time to time pursuant to Section 2.10(g)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. On the Aleris Incremental Maturity Date, the remaining outstanding principal amount of Aleris Incremental Term Loans, together with accrued and unpaid interest on such amount to but excluding the date of such payment.

(c) The Co-Borrowers shall pay to the Administrative Agent, for the account of the Tranche A-1 Term Lenders, on the last day of each fiscal quarter of the Designated Company, commencing with the last day of the first fiscal quarter ended after the Tranche A-1 Funding Date, through and including the last day of the fiscal quarter ended immediately prior to the Tranche A-1 Maturity Date, or if any such date is not a Business Day, on the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such amount shall be payable on the immediately preceding Business Day (each such date, a “**Tranche A-1 Term Loan Repayment Date**”), a principal amount of the Tranche A-1 Term Loans equal to \$1,250,000 (as adjusted from time to time pursuant to Section 2.10(g)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. The Co-Borrowers shall pay to the Administrative Agent,

for the account of the Tranche A-1 Term Lenders, on the Tranche A-1 Maturity Date, the remaining outstanding principal amount of Tranche A-1 Term Loans, together with accrued and unpaid interest on such amount to but excluding the date of such payment.

(d) The principal amount of Incremental Term Loans (other than Aleris Incremental Term Loans) and Other Term Loans (other than Tranche A-1 Term Loans) shall be repaid by the applicable Co-Borrowers as provided in the applicable Increase Joinder or Refinancing Amendment, as the case may be, in each case subject to the requirements of this Agreement.

(e) To the extent not previously paid, all Term Loans shall be due and payable on the Maturity Date of such Term Loans.

Section 2.10 Optional and Mandatory Prepayments of Loans.

(a) Optional Prepayments. The Co-Borrowers shall have the right at any time and from time to time to prepay any Loans, in whole or in part, subject to the requirements of this Section 2.10; provided that each partial prepayment shall be in a principal amount that is not less than (and in integral amounts consistent with) the Minimum Amount or, if less, the outstanding principal amount of such Borrowing.

(b) Net Cash Proceeds Account. Subject to the terms of the Intercreditor Agreement, the Net Cash Proceeds of any Pari Passu Priority Collateral arising from an Asset Sale or Casualty Event by the Designated Company or any Subsidiary Guarantor which Net Cash Proceeds are being reinvested in accordance with Sections 2.10(c) or (e), respectively, shall be deposited in one or more Net Cash Proceeds Accounts pending final application of such proceeds (and any products of such proceeds) in accordance with the terms hereof (provided that prior to such final application, and without affecting the Co-Borrowers' obligations under Sections 2.10(c) and (e), such proceeds may be utilized to make repayments of the Revolving Credit Loans without reducing Revolving Credit Commitments).

(c) Asset Sales. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds of any Asset Sale by the Designated Company or any of its Restricted Subsidiaries, the applicable Co-Borrowers shall make prepayments of the Term Loans in accordance with Section 2.10(g) and (h) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided, that if at the time that any such prepayment would be required, such Co-Borrower is required to prepay or offer to repurchase (x) Permitted Short Term Indebtedness, solely to the extent that such Asset Sale constitutes a Specified Divestiture, (y) Permitted First Priority Refinancing Debt, or (z) any Additional Senior Secured Indebtedness that is secured on a pari passu basis with the Secured Obligations pursuant to the terms of the documentation governing such Indebtedness, in the case of clauses (x) through (z), with the Net Cash Proceeds of such Asset Sale (such Permitted Short Term Indebtedness, Permitted First Priority Refinancing Debt or Additional Senior Secured Indebtedness required to be prepaid or offered to be so repurchased, "**Other Applicable Indebtedness**"), then such Co-Borrower shall apply such Net Cash Proceeds on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness at such time; provided, that the portion of such net proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such Net Cash Proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Net Cash Proceeds shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the prepayment or repurchase of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.10(c) shall be reduced accordingly; provided further, that to the extent the holders of Other Applicable Indebtedness decline to have such indebtedness prepaid or repurchased, the declined amount shall promptly (and in any event within 10 Business

Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof; provided further that:

(i) no such prepayment shall be required under this Section 2.10(c) with respect to (A) any Asset Sale permitted by Section 6.06 other than clauses (b) and (i) thereof, (B) the disposition of property which constitutes a Casualty Event, or (C) Asset Sales for fair market value resulting in less than \$50,000,000 in Net Cash Proceeds in any fiscal year; and

(ii) so long as no Event of Default shall then exist or would arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that the Designated Company shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such Net Cash Proceeds are expected to be reinvested in fixed or capital assets or to make Permitted Acquisitions (and (x) in the case of Net Cash Proceeds received from the arm's length sale or disposition for cash of Equity Interests in a Joint Venture Subsidiary for fair market value or the issuance of Equity Interests in a Joint Venture Subsidiary, in each case as permitted under Section 6.06 hereof, such Net Cash Proceeds may also be used to make investments in joint ventures so long as a Company owns at least 50% of the Equity Interests in such joint venture and (y) in the case of Net Cash Proceeds from an Asset Sale by a Joint Venture Subsidiary, such Net Cash Proceeds may also be used by such Joint Venture to reinvest in property (other than cash, Cash Equivalents and securities) to be owned by such Joint Venture and used in an activity permitted under Section 6.15) within 365 days (or in the event the Designated Company or any Restricted Subsidiary has entered into a binding agreement to make such reinvestment within such 365 day period, such period shall be extended for an additional 365 days with respect to the portion of such Net Cash Proceeds so committed to be reinvested) following the date of such Asset Sale (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); provided that if all or any portion of such Net Cash Proceeds is not so reinvested within such 365-day period (as such period may be extended pursuant to the foregoing), such unused portion shall be applied on the last day of such period to mandatory prepayments as provided in this Section 2.10(c).

(d) Debt Issuance. Not later than one (1) Business Day following the receipt of any Net Cash Proceeds of any Debt Issuance or issuance of Disqualified Capital Stock by Holdings, the Designated Company or any of its Restricted Subsidiaries (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) (other than in the case of an issuance of Disqualified Capital Stock, as permitted by Section 6.13), the applicable Co-Borrowers shall make prepayments in accordance with Section 2.10(g) and (h) in an aggregate amount equal to 100% of such Net Cash Proceeds.

(e) Casualty Events. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by the Designated Company or any of its Restricted Subsidiaries, the applicable Co-Borrowers shall make prepayments in accordance with Section 2.10(g) and (h) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that:

(i) no such prepayment shall be required under this Section 2.10(e) with respect to Casualty Events resulting in less than \$50,000,000 in Net Cash Proceeds in any fiscal year;

(ii) so long as no Event of Default shall then exist or arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that the Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such proceeds are expected to be used (or have been used) to repair, replace or restore any property in respect of which such Net Cash Proceeds were paid or to reinvest in other fixed or capital assets, no later than 365 days (or in the event the Borrower or any Restricted Subsidiary has entered into a binding agreement to make such repair, replacement, restoration or reinvestment within such 365 day period, such period shall be extended for an additional 365 days with respect to the portion of such Net Cash Proceeds committed for such repair, replacement, restoration or reinvestment, so long as such binding agreement is in effect at the end of such additional 365 day period) following the date of receipt of such proceeds; and

(iii) if any portion of such Net Cash Proceeds shall not be so applied within such 365-day period (as such period may be extended pursuant to clause (i), above), such unused portion shall be applied on the last day of such period to mandatory prepayments as provided in this Section 2.10(e).

(f) Excess Cash Flow. No later than 105 days after the end of each Excess Cash Flow Period, the Co-Borrowers shall make prepayments in accordance with Sections 2.10(g) and (h) in an aggregate amount equal to the amount by which (A) the Excess Cash Flow Percentage (defined below) of such Excess Cash Flow for such Excess Cash Flow Period exceeds (B) the aggregate amount of all voluntary prepayments of Term Loans made pursuant to Section 2.10(a) with Internally Generated Cash Flow during such Excess Cash Flow Period and voluntary prepayments of Revolving Credit Loans made with Internally Generated Cash Flow during such Excess Cash Flow Period (but, in the case of Revolving Credit Loans, only to the extent such prepayments are accompanied by a simultaneous permanent reduction of the Revolving Loan Commitments in an equal amount (and excluding any such reduction to the extent relating to the entering into of a replacement Revolving Credit Agreement)). "**Excess Cash Flow Percentage**" shall mean 50%. No payment of any Loans shall be required under this Section 2.10(f) if (i) on the date such prepayment is required to be made, no Event of Default has occurred and is continuing and (ii) the Senior Secured Net Leverage Ratio, as of the last day of such Excess Cash Flow Period, is less than or equal to 3.0:1.0.

(g) Application of Prepayments.

(i) Each partial prepayment of any Class of Term Loans shall be in an aggregate principal amount that is not less than (and in integral amounts consistent with) the Minimum Amount, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Class of Term Loans shall be applied ratably within such Class and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

(ii) Subject to Section 8.03 (to the extent applicable), any prepayments of Term Loans (x) pursuant to Section 2.10(a) shall be applied to the Class of Term Loans selected by the Designated Company in the notice of such prepayment pursuant to Section 2.10(h), and within each Class, to the scheduled repayments of Term Loans as directed by the Designated Company and (y) pursuant to Section 2.10(c), (d), (e), (f) and (i) shall be applied (i) ratably to each Class of Term Loans, (ii) in direct order of maturity to the next eight scheduled repayments of such Class of Term Loans and (iii) to the extent of any excess, ratably to the remaining scheduled repayments of the applicable Class of Term Loans.

(iii) Notwithstanding anything herein to the contrary, with respect to each such prepayment pursuant to Section 2.10(c), (e), (f) or (i), (i) not later than the date three Business Days prior to the date specified in Section 2.10 for making such prepayment, the Designated Company shall give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent provide notice of such prepayment to each Lender, (ii) each Lender will have the right to refuse any such prepayment by giving written notice of such refusal to the Administrative Agent within three Business Days after such Lender's receipt of notice from the Administrative Agent of such prepayment and (iii) the applicable Co-Borrowers will make all such prepayments not so refused upon the applicable date specified in Section 2.10 for making such prepayment. Any Lender that does not decline such prepayment in writing on or prior to the date referenced in clause (ii) above shall be deemed to have accepted such prepayment.

(h) Notice of Prepayments. The Designated Company shall notify the Administrative Agent by written notice of any prepayment hereunder not later than 11:00 a.m., London time, three (3) Business Days before the date of prepayment. Each such notice shall be irrevocable; provided that if such notice indicates that it is conditioned upon the effectiveness of other credit facilities or any other financing, sale or other transaction, such notice of prepayment may be revoked if such credit facilities, other financing, sale or other transaction is not consummated. Each such notice shall specify the prepayment date, the principal amount of each Class of Term Loans or portion thereof to be prepaid, within each Class, the scheduled repayments of Term Loans to which such prepayment applies and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof.

(i) Foreign Asset Sales. Notwithstanding any other provisions of Section 2.10(b), (c) or (e) (i) to the extent that any of or all the Net Cash Proceeds of any Asset Sale or Casualty Event subject to such sections are received by a Restricted Subsidiary that is not organized under the United States or any State or political subdivision thereof or of Canada or any province or political subdivision thereof (a "**Foreign Asset Sale**") and such Net Cash Proceeds are prohibited, restricted or otherwise delayed (each, a "**Repatriation Limitation**") by applicable local law from being repatriated to the United States or Canada, the portion of such Net Cash Proceeds so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.10 but may be retained by the applicable Restricted Subsidiary so long as such Repatriation Limitation exists (provided, that such Restricted Subsidiary shall use its commercially reasonable efforts to overcome any Repatriation Limitation) and once such Repatriation Limitation no longer exists, such Restricted Subsidiary shall promptly repatriate an amount equal to such Net Cash Proceeds to the applicable Co-Borrower which shall promptly (and in any event not later than five Business Days after such repatriation) apply such amount to the repayment of the Term Loans pursuant to this Section 2.10 and (ii) to the extent that such Co-

Borrower has reasonably determined in good faith that repatriation of any of or all of such Net Cash Proceeds of any Asset Sale or Casualty Event subject to Section 2.10(c) or (e) would have a material adverse tax cost consequence with respect to such Net Cash Proceeds for such Restricted Subsidiary or any other Loan Party, the Net Cash Proceeds so affected may be retained by the applicable Restricted Subsidiary.

(j) Prepayment Premium. In the event that there shall occur any amendment, amendment and restatement or other modification of this Agreement that reduces the Applicable Margin or interest rate with respect to any Term Loans or any prepayment or refinancing of any Term Loans, in whole or in part with proceeds of Indebtedness having lower applicable total yield than the applicable total yield for the Term Loans as of the Closing Date, then each such amendment, amendment and restatement, modification, prepayment or refinancing that occurs on or prior to the six-month anniversary of the Syndication Termination Date, as the case may be, shall be accompanied by a fee or prepayment premium, as applicable, equal to 1.00% of the outstanding principal amount of the Term Loans affected by such amendment, amendment and restatement or modification, or subject to such prepayment or refinancing. As a condition to effectiveness of any required assignment by any non-consenting Lender of its Term Loans pursuant to Section 2.16 in respect of any amendment, amendment and restatement or modification to this Agreement effective prior to the six-month anniversary of the Syndication Termination Date that has the effect of reducing the Applicable Margin or interest rate for any Term Loans from the Applicable Margin or interest rate in effect on the Closing Date, the Co-Borrowers shall pay to such non-consenting Lender of Term Loans a premium or fee equal to the premium or fee that would apply pursuant to the preceding sentence if such non-consenting Lender's Term Loans being assigned were being prepaid.

Section 2.11 Alternate Rate of Interest. ~~H~~Subject to Section 2.17, if on or prior to the ~~commencement~~first day of any Interest Period for a ~~Eurodollar Rate Borrowing~~SOFR Loan:

(a) the Administrative Agent determines (which determination shall be ~~final and~~ conclusive and binding absent manifest error) that ~~adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period;~~"Adjusted Term SOFR" cannot be determined pursuant to the definition thereof, or

(b) ~~the Administrative Agent is advised in writing by~~ the Required Lenders determine that ~~the Eurodollar Rate~~ for ~~such~~any reason in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period ~~will~~with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making ~~or~~and maintaining ~~their Loans included in such Borrowing for such Interest Period;~~such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent,

~~then~~

then, in each case, the Administrative Agent will promptly so notify the Designated Company and each Lender.

Upon notice thereof by the Administrative Agent ~~shall give written notice thereof~~ to the Designated Company ~~and, any obligation of the Lenders as promptly as practicable thereafter and to make SOFR Loans, and any right of the Borrower or any Co-Borrower to continue SOFR Loans or to convert Loans to SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Administrative Agent notifies the Designated Company and~~ (with respect to clause (b), at the instruction of the Required Lenders that the circumstances giving rise to) revokes such notice ~~no longer exist, (i) any Interest Election Request that requests. Upon receipt of such notice, (i) the Borrower and each Co-Borrower may~~

~~revoke any pending request for a borrowing of, conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Rate Borrowing shall be ineffective~~ SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower and each Co-Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Fallback Rate Loans in the amount specified therein and (ii) ~~if any Borrowing Request requests a Eurodollar Rate Borrowing, such Borrowing shall be made as~~ ~~outstanding affected SOFR Loans will be deemed to have been converted into~~ Fallback Rate ~~Borrowing~~.

~~Notwithstanding anything herein to the contrary, neither any Agent nor any Lender shall require the payment of an additional fee or an increase in the Applicable Margin as a condition precedent to the effectiveness of any amendment to this Agreement the sole purpose of which is to permit the Co-Borrowers to elect an Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower and each applicable Co-Borrower shall also pay accrued interest rate (on the "Successor Rate") other than the Eurodollar Rate or the Fallback Rate in anticipation of or as a result of the Eurodollar Base Rate ceasing to be quoted or published by any source, if the Successor Rate is substantially the same as the successor rate generally charged by banks and other financial institutions in the international and U.S. loan markets in replacement of the London inter-bank offered rate; provided that if, in connection amount so converted, together with the implementation of any such Successor Rate, banks and other financial institutions in the international and U.S. loan markets require the payment of an additional fee or fees, or require that the interest rate margin applicable to such successor rate be increased, in each case to account for a difference between the previously available Eurodollar Base Rate and such successor rate, then any such increase in the Applicable Margin or additional fee under this Agreement attributable to such difference shall not be prohibited by this sentence~~ any additional amounts required pursuant to Section 2.13. Subject to Section 2.17, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on Fallback Rate Loans shall be determined by the Administrative Agent without reference to the first proviso of the definition of "Cost of Funds" until the Administrative Agent revokes such determination.

Section 2.12 Yield Protection; Change in Law Generally.

(a) Increased Costs Generally. If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in, by any Lender ~~(except any reserve requirement reflected in the Eurodollar Rate)~~; or
- (ii) impose on any Lender or the interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or ~~Eurodollar Rate~~ SOFR Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any ~~Eurodollar Rate~~ SOFR Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then, upon request of such Lender, the Co-Borrowers will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines (in good faith, but in its sole absolute discretion) that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Co-Borrowers will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.12 and delivered to the Designated Company shall be conclusive absent manifest error. The Co-Borrowers shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Co-Borrowers shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender, as the case may be, notifies the Designated Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Change in Legality Generally. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any ~~Eurodollar Rate~~SOFR Loan or to give effect to its obligations as contemplated hereby with respect to any ~~Eurodollar Rate~~SOFR Loan, then, upon written notice by such Lender to the Designated Company and the Administrative Agent:

(i) the Commitments of such Lender (if any) to fund the affected Type of Loan shall immediately terminate; and

(ii) (x) such Lender may declare that ~~Eurodollar Rate~~SOFR Loans will not thereafter (for the duration of such unlawfulness) be continued for additional Interest Periods and Fallback Rate Loans will not thereafter (for such duration) be converted into ~~Eurodollar Rate~~SOFR Loans, whereupon any request to convert a Fallback Rate Borrowing to a ~~Eurodollar Rate~~SOFR Borrowing or to continue a ~~Eurodollar Rate~~SOFR Borrowing for an additional Interest Period shall, as to such Lender only, be deemed a request to continue a Fallback Rate Loan as such, or to convert a ~~Eurodollar Rate~~SOFR Loan into a Fallback Rate Loan, as the case may be, unless such declaration shall be subsequently withdrawn and (y) all such outstanding ~~Eurodollar Rate~~SOFR Loans made by such Lender shall be automatically converted to Fallback Rate Loans on the last day of the then current Interest Period therefor or, if earlier, on the date specified by such Lender in such notice (which date shall be no earlier than the last day of any applicable grace period permitted by applicable law).

(f) **Increased Tax Costs.** If any Change in Law shall subject any Lender to any (i) Tax of any kind whatsoever with respect to this Agreement or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, or (ii) Tax imposed on it that is specially (but not necessarily exclusively) applicable to lenders such as such Lender as a result of the general extent and/or nature of their activities, assets, liabilities, leverage, other exposures to risk, or other similar factors, including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith, the United Kingdom Tax known as the “bank levy” in such form as it may be imposed and as amended or reenacted, and similar legislation (except, in each case of the foregoing clauses (i) and (ii), for (A) Indemnified Taxes, (B) Taxes described in clauses (a)(ii), (a)(iii) and (b)(ii) through (b)(iv) of the definition of Excluded Taxes, and (C) Other Connection Taxes that are imposed on or measured by net income, however denominated, or that are franchise Taxes or branch profits Taxes), and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then, upon request of such Lender, the Co-Borrowers will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender, as the case may be, for such additional costs incurred or reduction suffered. For the avoidance of doubt, the Co-Borrowers shall not be required to compensate a Lender pursuant to this Section 2.12 for any increased costs incurred or reductions suffered that are attributable to a FATCA Deduction required to be made by any Party.

(g) Notwithstanding anything to the contrary contained herein, no Lender shall be entitled to seek compensation for costs incurred under this Section 2.12 unless it is the general policy or practice of such Lender at such time to seek compensation from other borrowers whose transactions with such Lender are similarly affected by the change in circumstances giving rise to such costs and the applicable Lender is generally seeking such compensation from such borrowers (but no Lender shall be required to disclose any confidential or proprietary information to confirm the foregoing).

Section 2.13 Breakage Payments. In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any ~~Eurodollar Rate~~SOFR Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any ~~Eurodollar Rate~~SOFR Loan earlier than the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Loan on the date specified in any notice delivered pursuant hereto, (d) the assignment of any ~~Eurodollar Rate~~SOFR Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by the Designated Company pursuant to Section 2.16(c), (e) a Discounted Purchase of any ~~Eurodollar Rate~~SOFR Loan earlier than the last day of an Interest Period applicable thereto, or (f) the return of the Escrowed Amounts to the Aleris Incremental Term Lenders at the end of the Escrow Period in accordance with Section 2.21(g)(i), then, in any such event, the Co-Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of any ~~Eurodollar Rate~~SOFR Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the ~~Eurodollar Rate~~Adjusted Term SOFR rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) (excluding, however, the Applicable Margin included therein; ~~if any, and the effect of clause (ii) of each of the sentences contained in the “Eurodollar Base Rate” definition~~), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits of a comparable currency,

amount and period from other banks in the applicable interbank market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to the Designated Company (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. The Co-Borrowers shall pay such Lender the amount shown as due on any such certificate within five (5) days after receipt thereof.

Section 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments Generally. Each Loan Party shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest or fees, or of amounts payable under Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.21, or Section 11.03, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., London time), on the date when due, in immediately available funds, without condition or deduction for any counterclaim, defense, recoupment or setoff. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All payments by any Loan Party shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office, except that payments pursuant to Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 7.10 and Section 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof in like funds as received by the Administrative Agent. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in Dollars, except as expressly specified otherwise.

(b) Pro Rata Treatment.

(i) Each payment by the Co-Borrowers of interest in respect of the Loans of any Class shall be applied to the amounts of such obligations owing to the Lenders *pro rata* according to the respective amounts then due and owing to the Lenders of such Class.

(ii) Each payment by the Co-Borrowers on account of principal of the Borrowings of any Class shall be made *pro rata* according to the respective outstanding principal amounts of the Loans then held by the Lenders of such Class.

(c) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) *first*, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second*, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(d) Sharing of Set-Off. Subject to the terms of the Intercreditor Agreement, if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other Obligations resulting in such

Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other Obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Loan Party pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to any Loan Party or any Subsidiary thereof (as to which the provisions of this paragraph shall apply); provided, that this paragraph shall not apply to purchases pursuant to the Discounted Purchase provisions of Section 11.04(b)(iv).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(d) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(d) to share in the benefits of the recovery of such secured claim.

(e) Co-Borrower Default. Unless the Administrative Agent shall have received notice from the Designated Company prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the applicable Co-Borrower will not make such payment, the Administrative Agent may assume that such Co-Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, as the case may be, the amount due. In such event, if such Co-Borrower has not in fact made such payment, then each of the Lenders, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Interbank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of the Administrative Agent to any Lender or the Designated Company setting forth in reasonable detail any amount owing under this Section 2.14(e) shall be conclusive, absent manifest error.

(f) Lender Default. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), Section 2.14(e) or Section 11.03(c), then the Administrative Agent may, in its discretion following 5 Business Days' prior written notice to such lender (notwithstanding any contrary provision hereof), apply any amounts thereafter

received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and, upon full payment of such obligations as provided above, the Administrative Agent shall promptly issue a written notice to such Lender setting forth in reasonable detail the application of any amounts on account of such Lender.

(g) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 11.03 are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 11.03 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 11.03.

(h) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

Section 2.15 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Taxes, except as required by applicable Requirements of Law. If any applicable Requirements of Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Taxing Authority in accordance with applicable Requirements of Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after all such required deductions and withholdings (including any such deductions and withholdings applicable to additional sums payable under this Section) each Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made. For the avoidance of doubt, each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or basis of such FATCA Deduction), and in any case at least three (3) Business Days prior to making a FATCA Deduction, notify the Party to whom it is making the payment and, on or prior to the day on which it notifies that Party, shall also notify the Designated Company, the Agents and the other Lenders.

(b) Payment of Other Taxes by Loan Parties. Without limiting the provisions of paragraph (a) above, each Loan Party shall timely pay to the relevant Taxing Authority in accordance with applicable Requirements of Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by Loan Parties. The Loan Parties shall jointly and severally indemnify each Agent and each Lender, within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes imposed or asserted on or attributable to amounts payable by any of the Loan Parties hereunder or under any other Loan Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) payable or paid by such Agent or such Lender or required to be withheld or deducted from

a payment to such Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to the Designated Company by a Lender (with a copy to the Administrative Agent), or by such Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. No Loan Party shall be obliged to provide indemnity under this Section to the extent that the Indemnified Tax in question is compensated for by an increased payment under Sections 2.12(f), 2.15(a) or 7.10.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Taxing Authority pursuant to this Agreement, the applicable Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Taxing Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Designated Company (with a copy to the Administrative Agent), at the time or times reasonably requested by the Designated Company or the Administrative Agent (and from time to time thereafter, as requested by the Designated Company or Administrative Agent), such properly completed and executed documentation reasonably requested by the Designated Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Designated Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable Requirements of Law or reasonably requested by the Designated Company or the Administrative Agent as will enable the applicable Loan Parties or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation pursuant to this Section 2.15(e) (other than such documentation set forth in Section 2.15(e)(ii)(A) and (ii)(B) below) shall not be required if, in the relevant Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that a Co-Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Designated Company and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement or, if later, the date on which a U.S. Person becomes a Co-Borrower (and from time to time thereafter upon the reasonable request of the Designated Company or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Designated Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement or, if later, the date on which a U.S. Person becomes a Co-Borrower (and from time to time thereafter upon the reasonable request of the Designated Company or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest

under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of a Co-Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner; and

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Designated Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement or, if later, the date on which a U.S. Person becomes a Co-Borrower (and from time to time thereafter upon the reasonable request of the Designated Company or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Designated Company or the Administrative Agent to determine the withholding or deduction required to be made.

Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.15(e) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Designated Company and the Administrative Agent in writing of its legal inability to do so. The Administrative Agent shall, upon request by the Designated Company, promptly provide the Designated Company a Form W-8IMY from the Administrative Agent attaching the most recent form provided to the Administrative Agent by each Lender pursuant to Section 2.15(e)(ii) above and the most recent withholding schedule, if any, prepared by the Designated Company and previously delivered to the Administrative Agent. The Administrative Agent may rely on such forms and withholding schedule, without the need for any independent verification thereof, in preparing any Form W-8IMY required hereunder.

(f) FATCA Information. Notwithstanding Section 2.15(e) or any other provision of this Agreement to the contrary:

(i) Subject to paragraph (iii) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(A) confirm to that other Party whether it is:

(1) a FATCA Exempt Party; or

(2) not a FATCA Exempt Party;

(B) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(C) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(ii) If a Party confirms to another Party pursuant to paragraph (i)(A) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(iii) Paragraph (i) above shall not oblige any Lender or any Agent to do anything, and paragraph (i)(C) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(A) any law or regulation;

(B) any fiduciary duty; or

(C) any duty of confidentiality.

(iv) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (i)(A) or (B) above (including, for the avoidance of doubt, where paragraph (iii) above applies), then such Party shall be treated for the purposes of the Loan Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(v) If a Co-Borrower is a U.S. Tax Obligor or the Administrative Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:

(A) where the Co-Borrower is a U.S. Tax Obligor and the relevant Lender is a Lender on the date of this Agreement, the date of this Agreement;

(B) where a Co-Borrower is a U.S. Tax Obligor on a date on which a Lender becomes a Lender under this Agreement and the relevant Lender was not a Lender on the date of this Agreement, the relevant date on which such Lender becomes a Lender under this Agreement;

(C) the date a new U.S. Tax Obligor accedes as a Co-Borrower; or

(D) where a Co-Borrower is not a U.S. Tax Obligor, the date of a request from the Administrative Agent,

supply to the Administrative Agent (to the extent not otherwise supplied pursuant to Section 2.15(e) above):

(1) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or

(2) any withholding statement or other document, authorization or waiver as the Administrative Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(vi) The Administrative Agent shall provide any withholding certificate, withholding statement, document, authorization or waiver it receives from a Lender pursuant to paragraph (v) above to the Designated Company.

(vii) If any withholding certificate, withholding statement, document, authorization or waiver provided to the Administrative Agent by a Lender pursuant to paragraph (v) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorization or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Administrative Agent). The Administrative Agent shall provide any such updated withholding certificate, withholding statement, document, authorization or waiver to the Designated Company.

(viii) The Administrative Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (v) or (vii) above without further verification. The Administrative Agent shall not be liable for any action taken by it under or in connection with paragraph (v), (vi) or (vii) above.

(ix) Without prejudice to any other term of this Agreement, if a Lender fails to supply any withholding certificate, withholding statement, document, authorization, waiver or information in accordance with paragraph (v) above, or any withholding certificate, withholding statement, document, authorization, waiver or information provided by a Lender to the Administrative Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Administrative Agent, within three Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Administrative Agent (including any related interest and penalties) in acting as Administrative Agent under the Loan Documents as a result of such failure.

(g) Treatment of Certain Refunds. If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified, or as to which it has received additional amounts, pursuant to this Section 2.15, Section 7.10, or Section 2.12(f) (such Party, the “Indemnified Party”), then it shall pay to the Party that made such indemnity payments or paid such additional amounts pursuant to this Section 2.15, Section 7.10, or Section 2.12(f) (such Party, the “Indemnifying Party”) an amount equal to such refund (but only to the extent of indemnity payments made to the Indemnified Party pursuant to this Section 2.15, or additional amounts paid to the Indemnified Party pursuant to Section 7.10 or Section 2.12(f), with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Indemnified Party, and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund). The

Indemnifying Party, upon the request of the Indemnified Party, agrees to repay to the Indemnified Party the amount paid over to the Indemnified Party pursuant to this Section 2.15(g) (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event the Indemnified Party is required to repay such refund to such Taxing Authority. Nothing in this Section 2.15(g) shall be construed to require any Indemnified Party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Indemnifying Party or any other person. Notwithstanding anything to the contrary in this Section 2.15(g), in no event will the Indemnified Party be required to pay any amount to an Indemnifying Party pursuant to this Section 2.15(g) the payment of which would place the Indemnified Party in a less favorable net after-Tax position than the Indemnified Party would have been in if the Taxes subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Taxes had never been paid.

(h) Co-operation. Notwithstanding anything to the contrary in Section 2.15(e) or paragraph (k) of the definition of Permitted Reorganization, with respect to non-U.S. withholding taxes, the relevant Agent, the relevant Lender(s) (at the written request of the relevant Loan Party) and the relevant Loan Party shall, co-operate in completing any procedural formalities necessary (including delivering any documentation prescribed by the applicable Requirement of Law and making any necessary reasonable approaches to the relevant Taxing Authorities) for the relevant Loan Party to obtain authorization to make a payment to which such Agent or such Lender(s) is entitled without any, or a reduced rate of, deduction or withholding for, or on account of, Taxes; provided, however, that none of the Agents or any Lender shall be required to provide any documentation that it is not legally entitled to provide, or take any action that, in the relevant Agent's or the relevant Lender's reasonable judgment, would subject such Agent or such Lender to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect.

(i) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within three (3) Business Days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. Without limiting the preceding sentence or Section 2.15(f)(ix), each Lender shall indemnify the Administrative Agent (based upon such Lender's *pro rata* share of the sum of the total outstanding Term Loans and unused Commitments of all Lenders at the time the applicable indemnity payment is sought (or if the Term Loans have been repaid in full and the Commitments have been terminated, based upon its share of the Term Loans immediately prior to such payment)), within three (3) Business Days of demand, against any cost, loss or liability in relation to any FATCA-related liability incurred by the Administrative Agent in acting as Administrative Agent under the Loan Documents (unless the Administrative Agent has been reimbursed by a Loan Party pursuant to a Loan Document); provided that indemnity pursuant to this sentence shall not be available to the extent that such cost, loss or liability are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent. A certificate as to the amount of payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative

Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.15(i).

(j) Tax Returns. If, as a result of executing a Loan Document, entering into the transactions contemplated thereby or with respect thereto, receiving a payment or enforcing its rights thereunder, any Agent or any Lender is required to file a Tax Return in a jurisdiction in which it would not otherwise be required file, the Loan Parties shall promptly provide such information necessary for the completion and filing of such Tax Return as the relevant Agent or Lender shall reasonably request with respect to the completion and filing of such Tax Return. For clarification, any expenses incurred in connection with such filing shall be subject to Section 11.03.

(k) Value Added Tax. All amounts set out, or expressed to be payable under a Loan Document by any party to a Lender or Agent which (in whole or in part) constitute the consideration for value added tax purposes shall be deemed to be exclusive of any applicable value added tax, and accordingly, if value added tax is chargeable on any supply or service made by any Lender or Agent to any party under a Loan Document and such value added tax is required to be collected by such Lender or Agent (or the representative member of any group of which the relevant Lender or Agent forms a part for purposes of value added tax) pursuant to applicable Requirements of Law, that party shall pay to the Lender or Agent (in addition to and at the same time as paying the consideration) an amount equal to the amount of the value added tax (and such Lender or Agent shall promptly provide an appropriate value added invoice to such party).

Where a Loan Document requires any party to reimburse a Lender or Agent for any costs or expenses, that party shall also at the same time pay and indemnify the Lender or Agent against all value added tax incurred by the Lender or Agent in respect of the costs or expenses to the extent that the Lender or Agent reasonably determines that neither it nor any other member of any group of which it is a member for value added tax purposes is entitled to credit or repayment from the relevant Taxing Authority in respect of the value added tax.

If any Lender or Agent requires any Loan Party to pay any additional amount pursuant to Section 2.15(k), then such Lender or Agent and Loan Party shall use reasonable efforts to co-operate to minimize the amount such Loan Party is required to pay if, in the judgment of such Lender or Agent, such co-operation would not subject such Lender or Agent to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Agent. For the avoidance of doubt, all references to value added tax in this Section 2.15(k) include reference to goods and services tax.

(l) Covered Aleris Syndication Taxes.

(i) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, a Covered Aleris Lender's indemnification for Covered Aleris Syndication Taxes with respect to an interest in a Covered Aleris Loan for a Covered Aleris Payment Date (other than a Covered Aleris Payment Date that occurs during the Aleris Syndication Period) shall not exceed an amount equal to the lesser of (x) the U.S. federal withholding Taxes to which such Covered Aleris Lender holding such interest in a Covered Aleris Loan is subject with respect to such interest as of such Covered Aleris Payment Date, (y) the allocable share of the Aleris Gross-Up Cap with respect to such interest in a Covered Aleris Loan and (z) in the case of a Covered Aleris Lender that acquired such interest in a Covered Aleris Loan from another Covered Aleris Lender pursuant to an Assignment and Assumption after the Aleris Syndication Termination Date, the amounts of Covered Aleris Syndication Taxes

for which such assignor Covered Aleris Lender was entitled to indemnification hereunder with respect to such interest in a Covered Aleris Loan immediately before such assignment.

(ii) The aggregate amount of indemnification for Covered Aleris Syndication Taxes payable on any Covered Aleris Payment Date to all Covered Aleris Lenders shall not exceed an amount equal to two percent (2%) of the aggregate amount of interest and other non-principal amounts payable in respect of all of the Aleris Incremental Term Loans on such Covered Aleris Payment Date (such aggregate amount of indemnification with respect to a given Covered Aleris Payment Date, the “**Aleris Gross-Up Cap**”). For the avoidance of doubt, the Aleris Gross-Up Cap shall not be reduced by any Taxes for which the Co-Borrowers are otherwise providing an indemnity to the Lender hereunder.

(iii) For purposes of Section 2.15(l)(i)(y) above, the allocable share of the Aleris Gross-Up Cap with respect to each interest in a Covered Aleris Loan shall be determined on or after the Aleris Syndication Termination Date by the Incremental Mandated Lead Arrangers in consultation with the Borrower (which may be memorialized in one or more Assignment and Assumptions). Promptly after the allocable share of the Aleris Gross-Up Cap with respect to each interest in a Covered Aleris Loan is determined pursuant to the preceding sentence, the Incremental Mandated Lead Arrangers shall deliver or cause to be delivered in writing to the Administrative Agent and the Borrower (a) the name of each Covered Aleris Lender holding an interest in a Covered Aleris Loan as of the Aleris Syndication Termination Date, (b) the principal amount of the interest in a Covered Aleris Loan held by each such Lender and (c) the share of the Aleris Gross-Up Cap allocable to each such interest.

(iv) In the case of any Covered Aleris Payment Date that occurs during the Aleris Syndication Period, the Aleris Gross-Up Cap with respect to such Covered Aleris Payment Date shall be allocated among the Covered Aleris Lenders pro rata in accordance with the principal amount of each Covered Aleris Lender's Covered Aleris Loans on such Covered Aleris Payment Date; provided, to the extent such Covered Aleris Lender's allocable share of the Aleris Gross-Up Cap exceeds such Covered Aleris Lender's actual U.S. federal withholding Taxes with respect to the Covered Aleris Loans on such Covered Aleris Payment Date, then such excess shall be re-allocated among such other Covered Aleris Lenders in a similar manner until no such excess remains with respect to any such Covered Aleris Lender.

(v) For payments by any Loan Party under the Loan Documents that will (or are required to) include, or for which such Loan Party will (or is required to) withhold, any amounts attributable to the Covered Aleris Syndication Taxes, on or prior to the date of such payment, the Borrower shall deliver to the Administrative Agent a certificate certifying the allocation of such payment, which payment shall include the interest amount and the amount of indemnification payments in respect of Covered Aleris Syndication Taxes, among the Lenders, which allocation set forth in such certificate shall reflect the then-current allocations established pursuant to clauses (i) through (iv) of this Section 2.15(l), and the amounts, if any, (x) required to be withheld for any Taxes under applicable Requirements of Law, (y) of Taxes so withheld by the Loan Parties, and (z) of any Taxes to be withheld by the Administrative Agent (which amount under this clause (z) shall be zero unless the Administrative Agent otherwise agrees in writing), in the case of clauses (x) through (z), for purposes of paying

the relevant Taxing Authority in accordance with applicable Requirements of Law. For purposes of the foregoing certificate under this clause (v), the Borrower may rely on copies of the Register and each Assignment and Assumption obtained by it in accordance with Section 11.04(c) (it being understood that the Borrower shall have a reasonable duty to request such copies and any updates thereto in connection with its obligation to deliver such certificate).

(vi) By becoming a party to this Agreement, each Lender agrees, notwithstanding anything to the contrary in this Agreement or any other Loan Document, that (x) the Administrative Agent may rely upon and comply with the allocations set forth in the certificate described in Section 2.15(l)(v), without further verification of the Administrative Agent, (y) the Administrative Agent may rely upon the withholding amounts set forth in such certificate, and (z) each Covered Aleris Lender shall indemnify the Administrative Agent (and any sub-agent thereof), within three (3) Business Days after demand therefor, for any losses, claims, damages, liabilities, costs, and related expenses (including the fees, charges and disbursements of any counsel) incurred in relation to any underwithholding of Taxes from such Lender with respect to such payments.

(m) Survival. Each party's obligations under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.16 Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. Each Lender may at any time or from time to time designate, by written notice to the Administrative Agent, one or more lending offices (which, for this purpose, may include Affiliates of the respective Lender) for the various Loans made by such Lender; provided that to the extent such designation shall result, as of the time of such designation, in increased costs under Section 2.12, Section 2.15 or Section 7.10 in excess of those which would be charged in the absence of the designation of a different lending office (including a different Affiliate of the respective Lender), then the Loan Parties shall not be obligated to pay such excess increased costs (although the applicable Loan Party, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay the costs which would apply in the absence of such designation and any subsequent increased costs of the type described above resulting from changes after the date of the respective designation). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder). The proviso to the first sentence of this Section 2.16(a) shall not apply to changes in a lending office pursuant to Section 2.16(b) if such change was made upon the written request of any Loan Party.

(b) Mitigation Obligations. If any Lender requests compensation under Section 2.12, or requires any Loan Party to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15 or Section 7.10, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12, Section 2.15 or Section 7.10, as the case may be, in the future and (ii) would not subject such Lender to any

unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Loan Party hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Lender to the Designated Company shall be conclusive absent manifest error.

(c) Replacement of Lenders. If any Lender requests compensation under Section 2.12, or if any Loan Party is required to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15 or Section 7.10, or if any Lender is a Defaulting Lender, or if the Designated Company exercises its replacement rights under Section 11.02(d), then the Designated Company may, at its sole expense and effort, upon notice by the Designated Company to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Co-Borrowers or the assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 11.04(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.13), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Co-Borrowers (in the case of all other amounts, including any amounts under Section 2.10(j));

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.15 or Section 7.10, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Requirements of Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Designated Company to require such assignment and delegation cease to apply.

Section 2.17 ~~**INTENTIONALLY OMITTED**~~ **Benchmark Replacement Setting**.

(a) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and

subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 12:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) No Hedging Agreement shall constitute a “Loan Document” for purposes of this Section 2.17.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Designated Company and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Designated Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.17(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement

that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Designated Company's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Designated Company may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Designated Company will be deemed to have converted any such request into a request for a Borrowing of or conversion to Fallback Rate Loans and (ii) any outstanding affected SOFR Loans will be deemed to have been converted to Fallback Rate Loans at the end of the applicable Interest Period. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Fallback Rate and Cost of Funds based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Fallback Rate or Cost of Funds.

Section 2.18 [INTENTIONALLY OMITTED].

Section 2.19 Interest Act (Canada); Criminal Rate of Interest; Nominal Rate of Interest.

(a) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, solely to the extent that a court of competent jurisdiction finally determines that the calculation or determination of interest or any fee payable by any Canadian Loan Party in respect of the Obligations pursuant to this Agreement and the other Loan Documents shall be governed by the laws of any province of Canada or the federal laws of Canada, in no event shall the aggregate interest (as defined in Section 347 of the Criminal Code, R.S.C. 1985, c. C-46, as the same shall be amended, replaced or re-enacted from time to time, "**Section 347**") payable by the Canadian Loan Parties to the Agents or any Lender under this Agreement or any other Loan Document exceed the effective annual rate of interest on the Credit advances (as defined in Section 347) under this Agreement or such other Loan Document lawfully permitted under Section 347 and, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of Interest (as defined in Section 347) is determined to be contrary to the provisions of Section 347, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Agents, the Lenders and the Canadian Loan Parties and the amount of such payment or collection shall be refunded by the relevant Agents and Lenders to the applicable Canadian Loan Parties. For the purposes of this Agreement and each other Loan Document to which the Canadian Loan Parties are a party, the effective annual rate of interest payable by the Canadian Loan Parties shall be determined in accordance with generally accepted actuarial practices and principles over the term of the loans on the basis of annual compounding for the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent for the account of the Canadian Loan Parties will be conclusive for the purpose of such determination in the absence of evidence to the contrary.

(b) For the purposes of the Interest Act (Canada) and with respect to Canadian Loan Parties only:

(i) whenever any interest or fee payable by the Canadian Loan Parties is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which

such rate is to be ascertained and (z) divided by 360 or 365, as the case may be; and

(ii) all calculations of interest payable by the Canadian Loan Parties under this Agreement or any other Loan Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

The parties hereto acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

Section 2.20 [INTENTIONALLY OMITTED].

Section 2.21 Escrow Arrangement.

(a) Appointment. Each Loan Party and each Aleris Incremental Term Lender hereby irrevocably appoints the Escrow Agent as its escrow agent for the purposes set forth herein and in the Aleris Increase Joinder Amendment, and authorizes the Escrow Agent to take such actions on its behalf and to exercise such powers as are delegated to the Escrow Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The Escrow Agent hereby accepts such appointment and agrees to act as escrow agent and to hold and disburse the Escrowed Amounts all in accordance with the terms and conditions set forth herein and in the Aleris Increase Joinder Amendment.

(b) Escrowed Amounts.

(i) On the Aleris Incremental Escrow Date, subject to the satisfaction of the conditions precedent set forth in Section 5 of the Aleris Increase Joinder Amendment, each Aleris Incremental Term Lender shall, severally and not jointly, make an Aleris Incremental Term Loan in Dollars to Novelis Acquisitions by depositing or causing to be deposited with the Escrow Agent in the Escrow Account an amount, in immediately available funds, equal to such Aleris Incremental Lender's pro rata share (as a percentage of the aggregate Aleris Incremental Term Loan Commitments of all Aleris Incremental Term Lenders on such date immediately prior to giving effect to such funding) of the aggregate amount of Aleris Incremental Term Loans requested by Novelis Acquisitions to be borrowed pursuant to the Borrowing Request in respect thereof, which pro rata share shall not exceed such Aleris Incremental Term Lender's Aleris Incremental Term Loan Commitment on the Aleris Incremental Escrow Date; provided that, at the option of the Designated Company as set forth in the Borrowing Request, some or all of the fees payable pursuant to the Fee Letters may be paid by netting the fees payable to the applicable Aleris Incremental Term Lender against the amount of the Aleris Incremental Term Loans required to be funded by such Aleris Incremental Term Lender.

(ii) Prior to 11:59 p.m. London Time on the Escrow Date, the Administrative Agent shall deliver written notice to the Designated Company and the Aleris Incremental Term Lenders, which notice shall list the amount that the Escrow Agent has advised that it has received into the Escrow Account from each Lender on the Escrow Date, as well as the total Escrowed Amount on deposit in the Escrow Account (to the extent that the Escrow Agent has internally confirmed receipt of such amounts from such Aleris Incremental Term Lenders in the Escrow Account

based on the funding schedule attached to the Borrowing Request). The Escrow Agent shall (x) hold the Escrowed Amounts in the Escrow Account during the Escrow Period, and (y) distribute the Escrowed Amounts in accordance with the terms and conditions of this Section 2.21 and the Aleris Increase Joinder Amendment.

(iii) The Escrowed Amounts shall not be invested by the Escrow Agent during the Escrow Period, and, except for interest accruing for the benefit of the Aleris Incremental Term Lenders and payable by the applicable Loan Parties pursuant to clause (c) below and the other terms of this Agreement, the Escrowed Amounts shall not accrue interest. The Escrow Agent shall hold and release the Escrowed Amounts only as provided in this Section 2.21.

(iv) It is the intention of the Loan Parties and the Aleris Incremental Term Lenders that this Agreement and the Aleris Increase Joinder Amendment create a true escrow and that the Loan Parties have no ownership of, or rights in, the Escrow Account or the Escrowed Amounts other than the contractual right to receive the Escrowed Amounts as provided in this Section 2.21.

(c) Interest on Escrowed Term Loans. Except as otherwise provided in Section 2.06(c) or the last sentence of this clause (c), for the Escrow Period, including the first day but excluding the last day of such period, the Escrowed Term Loans shall bear interest at a rate per annum equal to the ~~Eurodollar Rate~~ Term SOFR for an Interest Period of one month plus the Applicable Margin applicable to Aleris Incremental Term Loans. If the Escrowed Amounts are funded by the Escrow Agent on the Aleris Acquisition Closing Date in accordance with clause (f) below, then such Interest Period shall continue and shall be payable in Dollars by the applicable Co-Borrower to the Administrative Agent in arrears in accordance with Section 2.06(d) and Section 2.14, and future Interest Periods shall be subject to Section 2.08. If the Escrowed Amounts are returned to the Aleris Incremental Term Lenders in accordance with clause (g)(i) below, then accrued interest on Escrowed Amounts shall be payable in Dollars by the applicable Co-Borrower to the Administrative Agent in arrears in accordance with Section 2.14 no later than the date that is 5 Business Days after the end of the Escrow Period. The Administrative Agent shall distribute payments received under this clause (c) in accordance with Section 2.14. If the Escrowed Amounts are returned to an Aleris Incremental Term Lender in accordance with clause (g)(ii) below, then, notwithstanding anything in this clause (c) or any other provision in any Loan Document to the contrary, the Residual Returned Amounts of such Aleris Incremental Term Lender shall not accrue interest, and shall not obtain the benefit of Section 2.13.

(d) Aleris Incremental Term Loan Commitments and Incremental Facility Commitment Fees. To the extent that the Aleris Incremental Term Loan Commitments have not been terminated pursuant to Section 2.07, for each Aleris Incremental Term Lender, such Lender's Aleris Incremental Term Loan Commitment shall terminate upon such Aleris Incremental Term Lender funding the full amount of its Aleris Incremental Term Loans (as such funded amount may be reduced, at the option of the Designated Company as provided in the Borrowing Request, to the extent that some or all of the fees payable pursuant to the Fee Letters are paid by netting the fees payable to the applicable Aleris Incremental Term Lender against the amount of the Aleris Incremental Term Loans required to be funded by such Aleris Incremental Term Lender) to the Escrow Account pursuant to the applicable Borrowing Request. The Incremental Facility Commitment Fees (as defined in the Aleris Fee Letter) shall be payable in accordance with the terms of the Aleris Fee Letter, and such commitment fees shall not be netted from the amounts funded by the Aleris Incremental Term Lenders into the Escrow Account.

(e) Escrow Drawdown Requests. To request the funding of the Escrowed Amounts, the Designated Company shall deliver, by hand delivery, telecopier or, to the extent separately agreed by the Administrative Agent, by an electronic communication in accordance with the second sentence of Section 11.01(b) and the second paragraph of Section 11.01(d), a duly completed and executed Escrow Drawdown Request (the “**Original Escrow Drawdown Request**”) to the Administrative Agent, with a copy to the Escrow Agent, not later than 3:00 p.m., London time, one (1) Business Days before the Aleris Incremental Funding Date; provided that subsequent Escrow Drawdown Requests delivered pursuant to the last paragraph of this clause (e) shall be delivered not later than 10:00 a.m., London time on the Aleris Incremental Funding Date. Each Escrow Drawdown Request shall be irrevocable (provided that such request may be conditioned upon the satisfaction of the requirements set forth in clause (f) below) and shall specify the following information in compliance with Section 2.02:

(i) that Novelis Acquisitions is requesting the drawdown and the aggregate amount of such drawdown, which shall be the Escrowed Amount; provided that, notwithstanding anything herein to the contrary, on the Aleris Incremental Funding Date, prior to or substantially concurrently with the Escrow Release Time, the Designated Company may deliver to the Administrative Agent, with a copy to the Escrow Agent, an updated Escrow Drawdown Request to reflect a funding request for the current available balance in the Escrow Account at the Escrow Release Time, as such amount is notified in writing to the Designated Company by the Administrative Agent prior to the Escrow Release Time on the Aleris Incremental Funding Date, and such updated amount shall thereafter constitute the Escrowed Amount for purposes of the funding under clause (f) below;

(ii) the date of such drawdown, which shall be a Business Day occurring on or prior to the Aleris Incremental Commitment Termination Date and shall be the Aleris Acquisition Closing Date;

(iii) that the initial Interest Period applicable to the Escrowed Term Loans as in effect on the date of such Escrow Drawdown Request shall continue after giving effect to the drawdown;

(iv) the location and account number of the bank account(s) to which funds are to be disbursed (the “**Specified Bank Accounts**”); and

(v) the conditions set forth in Section 4.03(b) - (d) have been satisfied as of the date of the Escrow Drawdown Request, and in the case of Aleris Incremental Term Loans, that the Aleris Acquisition Closing Date and the Aleris Incremental Funding Date is expected to occur on the date designated pursuant to clause (ii) above, and that the conditions referred to in Section 6 of the Aleris Increase Joinder Amendment shall be satisfied on the Aleris Incremental Funding Date.

Promptly following receipt of an Escrow Drawdown Request in accordance with this clause (e), the Administrative Agent shall provide notice thereof to the Aleris Incremental Term Lenders. In the event the Escrow Drawdown Request is delivered to the Administrative Agent, whether in writing, by telecopier or otherwise, the Administrative Agent is authorized to seek confirmation of such instruction by telephone call back to the person or persons designated in Exhibit A to the Aleris Increase Joinder Amendment (the “**Call Back Authorized Individuals**”), and the Administrative Agent and the Escrow Agent may rely upon the confirmations of anyone

purporting to be a Call Back Authorized Individual. To assure accuracy of the instructions it receives, the Administrative Agent may record such call backs. If the Administrative Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not fund the Escrowed Term Loans until all such issues have been resolved in the Administrative Agent's reasonable discretion. The persons and telephone numbers for call backs may be changed only in writing actually received and acknowledged by the Administrative Agent.

If the Administrative Agent notifies the Designated Company that the Escrow Agent has internally confirmed receipt of additional amounts in the Escrow Account in excess of the Escrow Amounts set forth in a previously delivered Escrow Drawdown Notice, the Designated Company may deliver an updated Escrow Drawdown Request in accordance with, and within the time periods required by, the terms of this clause (e). If for any reason the drawdown requested pursuant to an Escrow Drawdown Request is not funded by the Escrow Agent to the Administrative Agent as the result of any of the requirements set forth in clause (f) below failing to be satisfied by the time or by the date set forth therein, then, during the Escrow Period, the Designated Company may deliver an updated Escrow Drawdown Request in accordance with, and within the time periods required by, the terms of this clause (e). Notwithstanding anything herein or in any other Loan Document to the contrary, each Escrow Drawdown Request delivered pursuant to this clause (e) after the delivery of an Original Escrow Drawdown Request shall supersede all previously delivered Escrow Drawdown Requests.

(f) Funding of the Escrowed Amounts on the Aleris Incremental Funding Date. Upon the satisfaction of the Escrow Release Conditions described below, the Administrative Agent shall notify the Escrow Agent that such conditions have been satisfied, and shall direct the Escrow Agent to promptly disburse the Escrowed Term Loans to the Administrative Agent to be funded pursuant to the Escrow Drawdown Request. Upon receiving such notice and direction, the Escrow Agent shall promptly disburse the Escrowed Term Loans to the Administrative Agent. Upon receipt of the Escrowed Term Loans, the Administrative Agent shall promptly disburse the Escrowed Amounts to the Specified Bank Accounts in accordance with the applicable Escrow Drawdown Request on the Aleris Incremental Funding Date (the time of such disbursement, the "**Escrow Release Time**"). The "**Escrow Release Conditions**" shall mean (i) for each Aleris Incremental Term Lender that has deposited funds into the Escrow Account as of the Escrow Release Time, the Escrow Agent has internally confirmed receipt of such funds from such Aleris Incremental Term Lender, (ii) the Administrative Agent and the Escrow Agent has received an Escrow Drawdown Request complying with the terms of, and within the time period required by, clause (e) above (as the same may be supplemented pursuant to clause (e)(i) and the last paragraph of clause (e) above), and (iii) the conditions precedent set forth in Section 4.03 are satisfied no later than 3:00 p.m. London Time on the Aleris Incremental Funding Date. For the avoidance of doubt, if on the Aleris Incremental Funding Date the Escrowed Amounts are less than the amount originally requested to be funded pursuant to the original Escrow Drawdown Request, then, to the extent that the foregoing conditions in this clause (f) have been satisfied, the Designated Company may proceed with the funding of the then-available Escrowed Amounts by complying with the proviso in clause (e)(i) above.

(g) Return of Escrowed Amounts to the Aleris Incremental Term Lenders.

(i) If (x) the Aleris Acquisition Closing Date has not occurred, and the Administrative Agent is not required to fund the Escrowed Amounts to the Specified Bank Accounts in accordance with clause (f) above at or prior to 3:00 p.m. London Time on the date that is ten (10) Business Days after the Escrow Date (such time, the "**Commitment Release Time**"), (y) an Event of Default under Section 8.01(g) or (h) has occurred, or (z) the Agreement Termination Date has occurred, then Administrative Agent shall notify the Escrow Agent that the Escrow Release Conditions have not been satisfied and that the Escrowed Term Loans must be returned to the Aleris Incremental Term

Lenders, and shall direct the Escrow Agent to promptly disburse the Escrowed Term Loans to the Administrative Agent in order to be returned to the respective Aleris Incremental Term Lenders. Upon receiving such notice and direction, the Escrow Agent shall promptly disburse the Escrowed Term Loans to the Administrative Agent. Upon receipt of the Escrowed Term Loans, the Administrative Agent shall promptly return the Escrowed Amounts to the respective Aleris Incremental Term Lenders. For the avoidance of doubt, notwithstanding anything herein or in any other Loan Document to the contrary, if an Aleris Incremental Term Lender funded its Aleris Incremental Term Loans into the Escrow Account by netting the arranger fees (but not the commitment fees) payable to the applicable Aleris Incremental Term Lender under the Fee Letters against the amount of the Aleris Incremental Term Loans required to be funded by such Aleris Incremental Term Lender into the Escrow Account, then the return of the actual amounts funded by each Aleris Incremental Term Lender into the Escrow Account to the respective Aleris Incremental Term Lenders pursuant to this clause (g)(i) shall satisfy in full the obligation of the Loan Parties to repay the Aleris Incremental Term Loans. If the amount returned to any Aleris Incremental Term Lender pursuant to this clause (g)(i) is less than the amount actually funded by such Aleris Incremental Term Lender into the Escrow Account, then the aggregate amount of such shortfall in respect of all of the Aleris Incremental Term Lenders shall immediately be due and payable to the Administrative Agent by the applicable Co-Borrower. The Administrative Agent shall distribute payments received under this clause (g)(i) in accordance with Section 2.14.

- (ii) If, after the Escrow Release Time, as a result of an Aleris Incremental Term Lender failing to fund its Aleris Incremental Term Loans into the Escrow Account within the time period required by this Agreement, the Escrow Agent internally confirms receipt in the Escrow Account of any other Escrowed Amounts from any Aleris Incremental Term Lender, or otherwise continues to hold Escrowed Amounts that were not required to be funded pursuant to clause (f) above (the “**Residual Returned Amounts**”), then, notwithstanding anything to the contrary in this Agreement or any other Loan Document, such Residual Returned Amounts shall not accrue interest or be subject to Section 2.13, any arranger fees set forth in any Fee Letter shall not be payable to such Aleris Incremental Term Lender in respect of such Residual Returned Amounts, and the Escrow Agent shall promptly disburse the Residual Returned Amounts to the extent remaining on deposit in the Escrow Account to the Administrative Agent, and upon receipt thereof, the Administrative Agent shall promptly return such amounts to the respective Aleris Incremental Term Lenders. For the avoidance of doubt, notwithstanding anything herein or in any other Loan Document to the contrary, if an Aleris Incremental Term Lender funded the Residual Returned Amounts into the Escrow Account by netting the arranger fees (but not the commitment fees) payable to the applicable Aleris Incremental Term Lender under the Fee Letters against the amount of the Aleris Incremental Term Loans required to be funded by such Aleris Incremental Term Lender into the Escrow Account, then the return of the actual Residual Returned Amounts funded by such Aleris Incremental Term Lender into the Escrow Account pursuant to this clause (g)(ii) shall satisfy in full the obligation of the Loan Parties to repay the Residual Returned Amounts and any other Obligations arising as a result of the netting of the arranger fees from the amount funded by such Aleris Incremental Term Lender to the Escrow Account. If the amount returned to any Aleris Incremental Term Lender pursuant to this clause (g)(ii) is less than the amount actually funded by such Aleris Incremental Term Lender into the Escrow Account, then the aggregate amount of such shortfall in respect of all of the Aleris Incremental Term Lenders shall immediately be due and payable to the Administrative Agent by the applicable Co-Borrower. The Administrative Agent shall distribute payments received under this clause (g)(ii) in

accordance with Section 2.14. Notwithstanding anything to the contrary in any Fee Letter, any Aleris Incremental Term Lender that (x) receives Residual Returned Amounts as a result of such Aleris Incremental Term Lender failing to fund its ratable share of the Aleris Incremental Term Loans into the Escrow Account within the time period required by this Agreement, or (y) fails to fund its ratable share of the Aleris Incremental Term Loans into the Escrow Account within the time period required by this Agreement, shall forfeit its right to any Extension Fee and any commitment fee received by it pursuant to, and as defined in, the Aleris Fee Letter, and such Aleris Incremental Term Lender shall, no later than the date that is 10 Business Days after the Aleris Incremental Funding Date, make a payment to the Designated Company in an amount equal to the sum of (A) the Extension Fee received by such Aleris Incremental Term Lender under the Aleris Fee Letter and (B) the aggregate amount of the commitment fees received by such Aleris Incremental Term Lender under the Aleris Fee Letter.

(h) Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Section 2.21 and in the Aleris Increase Joinder Amendment, which shall be deemed purely ministerial in nature, and no other duties shall be implied. The Escrow Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing. The Escrow Agent shall not have any duty to take any discretionary action or exercise any discretionary powers. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply, in its capacity as Escrow Agent, with, the terms and conditions of any other agreement, instrument or document between or among any Loan Party and any Lender, in connection herewith or otherwise, including any other Loan Document and including the Aleris Merger Agreement, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, except to the extent such provisions are repeated in this Section 2.21 or in the Aleris Increase Joinder Amendment. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any Escrow Drawdown Request furnished to it hereunder and reasonably believed by it to be genuine and to have been signed and presented by the Designated Company. On the Aleris Increase Joinder Effective Date, the Designated Company shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit A to the Aleris Increase Joinder Amendment. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall have no duty to solicit any payments from any Person which may be due to it or in respect of the Escrowed Term Loans, interest, or any applicable fees (including arranger and commitment fees). In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Person which, in its opinion, conflict with any of the provisions of this Section 2.21 or the Aleris Increase Joinder Amendment, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely the Escrowed Amounts held in escrow until it shall be given a joint direction from the Loan Parties and the Aleris Incremental Term Lenders. The Escrow Agent may interplead all of the Escrowed Amounts into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or nonaction based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or under the Aleris Increase Joinder Amendment or its duties hereunder or thereunder. The Escrow Agent shall have no liability or obligation with respect to the Escrowed Amounts except for the Escrow Agent's willful misconduct or gross negligence. To the extent practicable, the Loan Parties and the Aleris Incremental Term Lenders agree to pursue any redress or recourse in connection with any dispute (other than with respect to a dispute involving the Escrow Agent) without making the Escrow Agent a party to the same.

Anything in this Agreement or the Aleris Increase Joinder Amendment to the contrary notwithstanding, in no event shall the Escrow Agent be liable, directly or indirectly, for any (x) damages, losses or expenses arising out of the services provided hereunder or under the Aleris Increase Joinder Amendment other than damages, losses or expenses which result from the Escrow Agent's willful misconduct or gross negligence, or (y) special, indirect or consequential loss or damage of any kind whatsoever (including lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Should the Escrow Agent become liable for (i) the payment of any Taxes, including withholding taxes related to any Escrowed Term Loans or any other funds held by it in the Escrow Account, and including interest and penalties thereon, or (ii) any payment made hereunder, the Loan Parties agree, jointly and severally, to reimburse the Escrow Agent for such Taxes, interest, penalties and other amounts upon demand. Without limiting the foregoing, the Escrow Agent shall be entitled to deduct such Taxes, interest and penalties from the Escrowed Amounts prior to its release of the Escrowed Amounts in accordance with this Section 2.21.

(i) Covenant of the Escrow Agent. The Escrow Agent hereby agrees and covenants with the Designated Company and each Aleris Incremental Term Lender that it shall perform all of its obligations as Escrow Agent under this Agreement and the Aleris Increase Joinder Amendment and shall not deliver custody or possession of any of the Escrowed Amounts to any Person except pursuant to (i) the express terms of this Section 2.21 or (ii) as otherwise expressly required by Requirements of Law.

(j) Escrow Termination. The obligations of the Escrow Agent under this Agreement and the Aleris Increase Joinder Amendment shall terminate automatically on the earlier to occur of (i) the Aleris Incremental Commitment Termination Date (after giving effect to the return of any Escrowed Amounts to the Aleris Incremental Term Lenders on such date pursuant to Section 2.21(g)) and (ii) the Aleris Incremental Funding Date (after giving effect to the funding of any Escrowed Amounts on such date pursuant to Section 2.21(f), and the return of any Escrowed Amounts to the Aleris Incremental Term Lenders on such date pursuant to Section 2.21(g)(ii)).

(k) Compliance with Requirements of Law. In the event that any Escrowed Term Loans or any Escrowed Amounts shall be attached, garnished or levied upon by any Requirements of Law, or the delivery thereof shall be stayed or enjoined by an Requirement of Law, or any order, judgment or decree shall be made or entered by any court order affecting the Escrowed Term Loans or Escrowed Amounts, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all Requirements of Law so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, provided, that the Escrow Agent shall use commercially reasonable efforts to promptly notify the Designated Company and each Aleris Incremental Term Lender of any such Requirement of Law or any such order, judgment or decree, as well as the course of action the Escrow Agent intends to take upon the advice of its legal counsel. In the event that the Escrow Agent obeys or complies with any such Requirement of Law or order, judgment or decree, it shall not be liable to any Loan Party, any Lender, or to any other Person by reason of such compliance, notwithstanding such Requirement of Law, order, judgment or decree be subsequently reversed, modified, annulled, set aside or vacated.

(l) Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder caused directly by circumstances beyond its control (including any provision of any present or future law or regulation or any act of any governmental authority, any act of God earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in

the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(m) Compliance with U.S. Federal Law. To help the U.S. government fight the funding of terrorism and money laundering activities and to comply with federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties hereto agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all Parties depositing funds at the Escrow Agent pursuant to the terms and conditions of this Agreement. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity.

(n) Amendments to the Escrow Arrangement. Notwithstanding anything herein or in any other Loan Document to the contrary, this Section 2.21 may not be amended, restated, supplemented or otherwise modified without the prior written consent of the Administrative Agent, the Escrow Agent, the Designated Company, and the Aleris Incremental Term Lenders.

Section 2.22 Cashless Rollover of Term Loans. Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, in each case pursuant to a cashless settlement mechanism approved by the Designated Company, the Administrative Agent and such Lender.

Section 2.23 Incremental Term Loan Commitments.

(a) Incremental Request. Following the Syndication Termination Date (without regard to clause (ii) of such definition to the extent that the Aleris Incremental Commitment Termination Date has occurred without the funding of the Aleris Incremental Term Loans), the Designated Company may by written notice to the Administrative Agent, elect to request the establishment of one or more new Term Loan Commitments for one or more Co-Borrowers (each, an “**Incremental Term Loan Commitment**”) (x) in an aggregate principal amount of not less than \$25,000,000 (or the Dollar Equivalent thereof in an Alternative Currency) individually and (y) an integral multiple of \$1,000,000 (or the Dollar Equivalent thereof in an Alternative Currency) in excess thereof. Each such notice shall specify (i) date on which the Designated Company proposes that such Incremental Term Loan Commitments shall be effective (each, an “**Increase Effective Date**”), which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Lender or Additional Lender to whom the Designated Company proposes any portion of such Incremental Term Loan Commitments be allocated and the amount of such allocations; provided that any existing Lender approached to provide all or a portion of any Incremental Term Loan Commitments may elect or decline, in its sole discretion, to provide such Incremental Term Loan Commitments.

(b) Conditions. Such Incremental Term Loan Commitments shall become effective, as of such Increase Effective Date; provided that:

- (i) each of the conditions set forth in Section 4.03 shall be satisfied;
- (ii) no Default shall have occurred and be continuing or would result from the borrowings to be made on the Increase Effective Date;

(iii) the aggregate amount of all Incremental Term Loans permitted to be made pursuant to such Incremental Term Loan Commitments shall not exceed the sum of (A) \$300,000,000 (or the Dollar Equivalent thereof in other Alternative Currencies) plus (B) an additional unlimited amount so long as, after giving effect to the borrowings to be made on the Increase Effective Date and to the consummation of any Permitted Acquisition or other Investment or application of funds made with the proceeds of such borrowings, on a Pro Forma Basis, the Senior Secured Net Leverage Ratio at such date is not greater than 3.00 to 1.0 (provided that in calculating the Senior Secured Net Leverage Ratio, the proceeds of Incremental Term Loans shall be excluded from Unrestricted Cash) (it being understood that the Designated Company may elect to utilize amounts under either clause (A) or (B) (to the extent compliant therewith), and may use clause (B) (to the extent compliant therewith) prior to utilization of amounts under clause (A) in the case of a concurrent use);

(iv) the Loan Parties shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction; and

(v) immediately after giving effect to all Incremental Term Loans permitted to be made pursuant to such Incremental Term Loan Commitments, the Designated Company shall be in compliance, on a Pro Forma Basis, with the Financial Performance Covenant (provided that in calculating the Senior Secured Net Leverage Ratio, the proceeds of Incremental Term Loans shall be excluded from Unrestricted Cash), and the Designated Company shall have delivered to the Administrative Agent a certificate of a Responsible Officer setting forth in reasonable detail the calculations demonstrating such compliance;

provided, further that if the proceeds of any Incremental Term Loans are being used to finance an Acquisition that is not conditioned on the obtaining of any financing, then, except to the extent otherwise required by the Lenders or Additional Lenders making such Incremental Term Loans, (x) the representations and warranties referred to in Section 4.03(c) shall be limited to those contained in Sections 3.01, 3.02, 3.03(b), 3.03(c), 3.10, 3.11, 3.12, 3.16, 3.20, 3.22 and 3.24, and 3.28 and (y) the Defaults referred to in Section 4.03(b) and Section 2.23(b)(ii) shall be limited to Significant Events of Default.

(c) Terms of Incremental Term Loans and Commitments. The terms and provisions of Loans made pursuant to the new Commitments shall be as follows:

(i) terms and provisions of Loans made pursuant to Incremental Term Loan Commitments (**“Incremental Term Loans”**) shall be, except as otherwise set forth herein or in the Increase Joinder, identical to the existing Term Loans;

(ii) the Weighted Average Life to Maturity of all Incremental Term Loans shall be no shorter than the Weighted Average Life to Maturity of the existing Term Loans;

(iii) the maturity date of Incremental Term Loans (the **“Incremental Term Loan Maturity Date”**) shall not be earlier than the Latest Maturity Date; and

(iv) the Applicable Margins for the Incremental Term Loans shall be determined by the Designated Company and the applicable new Lenders and the interest rate for the Incremental Term Loans shall be determined by reference to the ~~Eurodollar Rate~~ Term SOFR (or the applicable alternative interest rate benchmark for any applicable Alternative Currency in accordance with Section 2.23(f)(i)); provided, however, that with respect to any Incremental Term Loans incurred prior to the fifteen-month anniversary of the Closing Date, if the initial yield on such Incremental Term Loans (as determined by the Administrative Agent to be equal to the sum of (x) the margin above the ~~Eurodollar Rate~~ Term SOFR (or the applicable alternative interest rate benchmark for any applicable Alternative Currency in accordance with Section 2.23(f)(i)) on such Incremental Term Loans, (y) if such Incremental Term Loans are initially made at a discount or the Lenders making the same receive an upfront fee (other than any customary arrangement, underwriting or similar fees that are paid to the arranger of such Incremental Term Loans in its capacity as such) directly or indirectly from Holdings, any Co-Borrower or any Subsidiary for doing so (the amount of such discount or fee, expressed as a percentage of the Incremental Term Loans, being referred to herein as “**Incremental OID**”), the amount of such Incremental OID divided by the lesser of (A) the average life to maturity of such Incremental Term Loans and (B) four, and (z) any amount by which the minimum ~~Eurodollar Rate~~ Term SOFR (or the applicable alternative interest rate benchmark for any applicable Alternative Currency in accordance with Section 2.23(f)(i)) applicable to such Incremental Term Loans exceeds the minimum ~~Eurodollar Rate~~ Term SOFR then applicable to the Initial Term Loans) exceeds the sum of (1) the Applicable Margin then in effect for ~~Eurodollar Rate~~ Term SOFR Loans that are Initial Term Loans, and (2) the Upfront Fees divided by four, by more than 50 basis points (the amount of such excess above 50 basis points being referred to herein as the “**Incremental Net Yield**”), then the Applicable Margin then in effect for Initial Term Loans shall automatically be increased by the Incremental Net Yield, effective upon the making of the Incremental Term Loans; provided that to the extent the Applicable Margin applicable to the Initial Term Loans is so increased, the Applicable Margin on the Term Loans advanced after the Closing Date but prior to the relevant Increase Effective Date shall be increased such that the difference between the Applicable Margin applicable to the Initial Term Loans and such Term Loans remains constant (or, if such Applicable Margin of both such series of Term Loans was equal, such Applicable Margin remains equal). All determinations by the Administrative Agent as to Incremental Net Yield or other matters contemplated by this Section 2.23 shall be conclusive absent manifest error.

The Incremental Term Loan Commitments shall be effected by a joinder agreement (the “**Increase Joinder**”) executed by the Loan Parties, the Administrative Agent and each Lender or Additional Lender making such Incremental Term Loan Commitment, in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.23. This Section 2.23 (including clause (f) hereof) shall supersede any provision in Section 2.14 or Section 11.02 to the contrary. In addition, unless otherwise specifically provided herein, all references in Loan Documents to Term Loans shall be deemed, unless the context otherwise requires, to include references to Term Loans made pursuant to Incremental Term Loan Commitments made pursuant to this Agreement, and all references in Loan

Documents to Commitments of a Class shall be deemed, unless the context otherwise requires, to include references to new Commitments of such Class made pursuant to this Agreement.

(d) **Making of Incremental Term Loans.** On any Increase Effective Date on which Incremental Term Loan Commitments are effective, subject to the satisfaction of the terms and conditions of this Section 2.23, each Lender of such Incremental Term Loan Commitments shall make a Term Loan to the applicable Co-Borrower in an amount equal to its new Commitment.

(e) **Equal and Ratable Benefit.** The Loans and Commitments established pursuant to this Section 2.23 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, rank *pari passu* with the other Loans in right of payment and benefit equally and ratably from the Guarantees, Foreign Guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Lien and security interests granted by the Security Documents continue to be perfected under the UCC, the PPSA or otherwise after giving effect to the establishment of any such Incremental Term Loan Commitments or any such new Term Loans.

(f) **Alternative Currency Term Loans.** Subject to the conditions set forth above, the Designated Company may elect to establish Incremental Term Loan Commitments denominated in an Alternative Currency. In such event, the Increase Joinder may additionally effect such amendments and modifications to this Agreement or the other Loan Documents, and the Administrative Agent and the Loan Parties may enter into such additional Loan Documents, in each case, deemed necessary or appropriate by the Administrative Agent in connection with such Incremental Term Loan Commitments denominated in Alternative Currencies to modify or add provisions relating to (i) the reference source for the determination of the ~~Eurodollar Rate~~ Term SOFR applicable to Term Loans made in any Alternative Currency or alternative interest rate benchmark for any applicable Alternative Currency, (ii) the notice periods for borrowing requests with respect to Term Loans made in any Alternative Currency, (iii) the minimum borrowing or prepayments amounts applicable to any Term Loan denominated in an Alternative Currency, (iv) the timing and manner of delivery of funds in any Alternative Currency, (v) gross-up and/or indemnity with respect to withholding tax matters and (vi) other provisions customarily applicable to loans in an Alternative Currency, including, but not limited to, Sections 2.11 and 2.12. With respect to the calculations set for in clause (c)(iv) above for any Incremental Net Yield with respect to Incremental Term Loans denominated in an Alternative Currency, such calculations shall be made by the Administrative Agent based on the margin above the appropriate benchmark component of the interest rate for the Alternative Currency, as well as any applicable minimum rates or floors and original issue discount or up front fees (which original issue discount and upfront fees shall be given effect as provided above).

Section 2.24 Refinancing Amendments.

(a) At any time after the Closing Date, each Co-Borrower may obtain, from any Lender or any Additional Lender, Credit Agreement Refinancing Indebtedness in respect of all or any portion of the Term Loans made to such Co-Borrower then outstanding under this Agreement (which will be deemed to include any then outstanding Other Term Loans), in the form of Other Term Loans or Other Loan Term Commitments, in each case pursuant to a Refinancing Amendment; provided that such Credit Agreement Refinancing Indebtedness (i) will rank *pari passu* in right of payment and of security with the other Loans and Commitments hereunder, (ii) will have such pricing and optional prepayment terms as may be agreed by the Designated Company and the Lenders thereof, (iii) will have a maturity date that is not prior to the maturity date of, and will have a Weighted Average Life to Maturity that is not shorter than the Term Loans being refinanced, (iv) subject to clause (ii) above, will have terms and conditions

that are substantially identical to, or less favorable to the investors providing such Credit Agreement Refinancing Indebtedness than, the Refinanced Debt and (v) the proceeds of such Credit Agreement Refinancing Indebtedness shall be applied, substantially concurrently with the incurrence thereof, to the prepayment of outstanding Term Loans being so refinanced; provided further that the terms and conditions applicable to such Credit Agreement Refinancing Indebtedness may provide for any additional or different financial or other covenants or other provisions that are agreed between the Designated Company and the Lenders thereof and applicable only during periods after the Latest Maturity Date that is in effect on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.03 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 4.02. Each Class of Credit Agreement Refinancing Indebtedness incurred under this Section 2.24 shall be in an aggregate principal amount that is (x) not less than \$50,000,000 in the case of Other Term Loans and (y) an integral multiple of \$1,000,000 in excess thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Credit Agreement Refinancing Indebtedness incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans and/or Other Term Loan Commitments). Any Refinancing Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Designated Company, to effect the provisions of this Section.

- (b) This Section 2.24 shall supersede any provisions in Section 2.14 or Section 11.02 to the contrary.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants (provided that no such representation or warranty shall be made with respect to Sections 3.05(b), 3.05(d), 3.06(b), 3.07, 3.20, or 3.24 prior to the Closing Date) to the Administrative Agent, the Collateral Agent and each of the Lenders that:

Section 3.01 Organization; Powers. Each Company (a) is duly organized or incorporated (as applicable) and validly existing under the laws of the jurisdiction of its organization or incorporation (as applicable), (b) has all requisite organizational or constitutional power and authority to carry on its business as now conducted and to own and lease its property, (c) is qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) to do business in every jurisdiction where such qualification is required, except in such jurisdictions where the failure to so qualify or be in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and (d) except as set forth in Section 2.03(b), is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any party in relation to the Loan Documents.

Section 3.02 Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's organizational or constitutional powers and have been duly authorized by all necessary organizational or constitutional action on the part of such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes,

and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03 No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect Liens created by the Loan Documents (as reflected in the applicable Perfection Certificate on and after the Closing Date) and (iii) consents, approvals, registrations, filings, permits or actions the failure to obtain or perform which could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of any Company, (c) will not violate any material Requirement of Law, (d) will not violate or result in a default or require any consent or approval under any indenture, agreement or other instrument binding upon any Company or its property, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect, and (e) will not result in the creation or imposition of any Lien on any property of any Company, except Liens created by the Loan Documents and Permitted Liens. The execution, delivery and performance of the Loan Documents will not violate, or result in a default under, or require any consent or approval under, the Senior Notes, the Senior Note Documents, or the Revolving Credit Loan Documents.

Section 3.04 Financial Statements; Projections.

(a) **Historical Financial Statements.** The Borrower has heretofore delivered to the Lenders the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower (i) as of and for the fiscal years ended March 31, 2014, March 31, 2015 and March 31, 2016, audited by and accompanied by the unqualified opinion of PricewaterhouseCoopers, independent public accountants, and (ii) as of and for the fiscal quarters ended June 30, 2016 and September 30, 2016, and for the comparable period of the preceding fiscal year, in each case certified by the chief financial officer of the Borrower. Such financial statements and all financial statements delivered pursuant to Section 5.01(a) and Section 5.01(b) have been prepared in accordance with US GAAP and present fairly in all material respects the financial condition and results of operations and cash flows of the Designated Company as of the dates and for the periods to which they relate.

(b) **No Liabilities; No Material Adverse Effect.** Except as set forth in the most recent financial statements referred to in Section 3.04(a), as of the Effective Date and the Closing Date there are no liabilities of any Company of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, which could reasonably be expected to result in a Material Adverse Effect, other than liabilities under the Loan Documents and any Third Lien Credit Agreement. Since March 31, 2016, there has been no event, change, circumstance or occurrence that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Effect.

(c) **Pro Forma Financial Statements.** The Borrower has heretofore delivered to the Lenders the Borrower's unaudited *pro forma* consolidated capitalization table and balance sheet as of September 30, 2016, after giving effect to the Transactions as if they had occurred on such date. Such capitalization table and balance sheet have been prepared in good faith by the Loan Parties, based on the assumptions stated therein (which assumptions are believed by the Loan Parties on the Effective Date and the Closing Date to be reasonable), are based on the best information available to the Loan Parties as of the date of delivery thereof, accurately reflect all adjustments required to be made to give effect to the Transactions and present fairly in all

material respects the *pro forma* capitalization and balance sheet of Holdings as of such date assuming the Transactions had occurred at such date.

(d) Forecasts. The forecasts of financial performance of the Companies covering the period commencing with September 30, 2016 and ending on March 31, 2022, furnished to the Lenders, have been prepared in good faith by the Loan Parties and based on assumptions believed by the Loan Parties to be reasonable, it being understood that any such forecasts may vary from actual results and such variations could be material.

Section 3.05 Properties

(a) Generally. Each Company has good title to, valid leasehold interests in, or license of, all its property material to its business, free and clear of all Liens except for Permitted Liens (and, prior to the consummation of the Transactions that occur on the Closing Date, Liens securing obligations under the Existing Credit Agreement). The property that is material to the business of the Companies, taken as a whole, (i) is in good operating order, condition and repair in all material respects (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Companies as presently conducted.

(b) Real Property. Schedules 8(a) and 8(b) to the Perfection Certificate dated the Closing Date contain a true and complete list of each interest in Real Property (i) owned by any Loan Party as of the Closing Date having fair market value of \$1,000,000 or more and describes the type of interest therein held by such Loan Party and whether such owned Real Property is leased to a third party and (ii) leased, subleased or otherwise occupied or utilized by any Loan Party, as lessee, sublessee, franchisee or licensee, as of the Closing Date having annual rental payments of \$1,000,000 or more and describes the type of interest therein held by such Loan Party.

(c) No Casualty Event. No Company has as of the Effective Date or the Closing Date received any notice of, nor has any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any material portion of its property. No Mortgage encumbers improved Real Property located in the United States that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the Flood Insurance Laws unless flood insurance available under such Flood Insurance Laws has been obtained in accordance with Section 5.04.

(d) Collateral. Each Company owns or has rights to use all of the Collateral used in, necessary for or material to each Company's business as currently conducted, except where the failure to have such ownership or rights of use could not reasonably be expected to have a Material Adverse Effect. The use by each Company of such Collateral does not infringe on the rights of any person other than such infringement which could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any Collateral does or may violate the rights of any third party that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 3.06 Intellectual Property

(a) Ownership/No Claims. Each Loan Party owns, or is licensed to use, all patents, trademarks, copyrights and other intellectual property (including intellectual property in software, mask works, inventions, designs, trade names, service marks, technology, trade secrets, proprietary information and data, domain names, know-how and processes) necessary for the conduct of such Loan Party's business as currently conducted ("**Intellectual Property**"), except for those the failure to own or license which, individually or in the aggregate, could not

reasonably be expected to result in a Material Adverse Effect. As of the Effective Date and the Closing Date, no material claim has been asserted and is pending by any person, challenging or questioning the validity of any Loan Party's Intellectual Property or the validity or enforceability of any such Intellectual Property, nor does any Loan Party know of any valid basis for any such claim. The use of any Intellectual Property by each Loan Party, and the conduct of each Loan Party's business as currently conducted, does not infringe or otherwise violate the rights of any third party in respect of Intellectual Property, except for such claims and infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Registrations. Except pursuant to non-exclusive licenses and other non-exclusive use agreements entered into by each Loan Party in the ordinary course of business, and except as set forth on Schedule 12(c) to the Perfection Certificate, on and as of the Closing Date each Loan Party owns and possesses the right to use and has not authorized or enabled any other person to use, any Intellectual Property listed on any schedule to the relevant Perfection Certificate or any other Intellectual Property that is material to its business, except for such authorizations and enablements as could not reasonably be expected to result in a Material Adverse Effect. All registrations listed on Schedule 12(a) and 12(b) to the Perfection Certificate are valid and in full force and effect, in each case, except where the absence of such validity or full force and effect, individually or collectively, could not reasonably be expected to have a Material Adverse Effect.

(c) No Violations or Proceedings. To each Loan Party's knowledge, on and as of the Effective Date and the Closing Date, (i) there is no material infringement or other violation by others of any right of such Loan Party with respect to any Intellectual Property that is subject to a security interest granted to the Revolving Credit Collateral Agent, or any other Intellectual Property that is material to its business, except as may be set forth on Schedule 3.06(c), and (ii) no claims are pending or threatened to such effect except as set forth on Schedule 3.06(c).

Section 3.07 Equity Interests and Subsidiaries

(a) Equity Interests. Schedules 1(a) and 10 to the Perfection Certificate dated the Closing Date set forth a list of (i) all the Subsidiaries of Holdings and their jurisdictions of organization as of the Closing Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the Closing Date. As of the Closing Date, all Equity Interests of each Company held by Holdings or a Subsidiary thereof are duly and validly issued and are fully paid and non-assessable, and, other than the Equity Interests of Holdings, are owned by Holdings, directly or indirectly through Wholly Owned Subsidiaries except as indicated on Schedules 1(a) and 10 to the Perfection Certificate. At all times prior to a Qualified Borrower IPO, 100% of the Equity Interests of the Borrower will be owned directly by Holdings, and 100% of the Equity Interests of the other Co-Borrower shall be owned directly or indirectly by Holdings (or, in the case of each Co-Borrower, on and after the Designated Holdco Effective Date, will be owned directly or indirectly by Designated Holdco) except (x) to the extent otherwise permitted under clause (c) of the definition of Permitted Reorganization Action or under clause (b) of the definition of Permitted Aleris Foreign Subsidiary Transfer or (y) the Tulip Foundation may indirectly own Equity Interests in Aleris Rolled Products and Aleris Casthouse if the Tulip Conditions are satisfied at all times. At all times after a Qualified Borrower IPO, more than 50% of the voting power of the total outstanding Voting Stock of each Co-Borrower will be owned directly or indirectly by Hindalco; provided that the Tulip Foundation may indirectly own Equity Interests in Aleris Rolled Products and Aleris Casthouse if the Tulip Conditions are satisfied at all times. As of the Closing Date, each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the Security Documents, free of any and all Liens, rights or claims of other persons, except Permitted Liens, and as of the Closing

Date there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) **No Consent of Third Parties Required.** Except as have previously been obtained, no consent of any person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or First Priority status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured Parties under the Security Documents or the exercise by the Collateral Agent of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect thereof, other than any restrictions on transfer of the Equity Interests in NKL or its direct parents, 4260848 Canada Inc., 4260856 Canada Inc. and 8018227 Canada Inc., imposed by any lock-up or listing agreement, rule or regulation in connection with any listing or offering of Equity Interests in NKL to the extent required by applicable Requirements of Law or listing or stock exchange requirements, and other than any share transfer restrictions pursuant to articles 249 and following of the Belgian Companies Code.

(c) **Organizational Chart.** An accurate organizational chart, showing the ownership structure of Holdings, the Borrower and each Subsidiary on the Closing Date is set forth on Schedule 10 to the Perfection Certificate dated the Closing Date. No Loan Party which is a party to an Irish Security Agreement or has otherwise created a Lien over any asset situate in Ireland pursuant to the Security Documents is a Relevant External Company.

Section 3.08 Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Company, threatened against or affecting any Company or any business, property or rights of any Company (i) that involve any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. No Company or any of its property is in violation of, nor will the continued operation of its property as currently conducted violate, any Requirements of Law (in the case of the U.S. Hold Separate Assets, as such Requirements of Law may be modified pursuant to the U.S. Hold Separate Agreements) (including any zoning or building ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Company's Real Property or is in default with respect to any Requirement of Law (in the case of the U.S. Hold Separate Assets, as such Requirements of Law may be modified pursuant to the U.S. Hold Separate Agreements), where such violation or default, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The Loan Parties have implemented and maintain in effect policies and procedures designed to ensure compliance by the Loan Parties, their Subsidiaries, and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws, and the Loan Parties and their Subsidiaries are in compliance with applicable Anti-Corruption Laws in all material respects.

Section 3.09 Agreements. No Company is a party to any agreement or instrument or subject to any corporate or other constitutional restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. No Company is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect. There is no existing default under any Organizational Document of any Company or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder that could reasonably be expected to have a Material Adverse Effect. No event or circumstance has occurred or exists that constitutes a Default or Event of Default.

Section 3.10 Federal Reserve Regulations. No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock. No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, U or X. The pledge of the Securities Collateral pursuant to the Security Documents does not violate such regulations.

Section 3.11 Investment Company Act. No Company is an “investment company” or a company “controlled” by an “investment company,” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 3.12 Use of Proceeds. The Co-Borrowers will use the proceeds of (a) the Loans on the Closing Date for the Transactions, (b) any Incremental Term Loans after the Closing Date for general corporate purposes (including to effect Permitted Acquisitions and other Investments and Dividends permitted hereunder), (c) any Aleris Incremental Term Loans on the Aleris Incremental Funding Date for the Aleris Acquisition, (d) any Other Term Loans after the Closing Date to refinance Term Loans and pay related fees and expenses, and (e) any Tranche A-1 Term Loans on the Tranche A-1 Funding Date to refinance a portion of the Initial Term Loans; provided that in no event shall any proceeds of any Loans (including any Incremental Term Loans or Other Term Loans) be remitted, directly or indirectly, to any Swiss tax resident Company or Swiss tax resident permanent establishment, where this remittance could be viewed as a use of such proceeds in Switzerland (whether through an intercompany loan or advance by any other Company or otherwise) as per the practice of the Swiss Federal Tax Administration, unless the Swiss Federal Tax Administration confirms in a written advance tax ruling (based on a fair description of the fact pattern in the tax ruling request made by a Loan Party) that such use of proceeds in Switzerland does not lead to Swiss Withholding Tax becoming due on or in respect any Loans (including any Incremental Term Loans or Other Term Loans) or parts thereof.

Section 3.13 Taxes. Each Company has (a) timely filed or caused to be timely filed all material Tax Returns required by applicable Requirements of Law to have been filed by it and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all material Taxes due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in accordance with US GAAP or other applicable accounting rules and (ii) which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Company has made adequate provision in accordance with US GAAP or other applicable accounting rules for all material Taxes not yet due and payable. No Company has received written notice of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. No Company has ever been a party to any understanding or arrangement constituting a “tax shelter” within the meaning of Section 6111(c), Section 6111(d), or Section 6662(d)(2)(C)(iii) of the Code, or has ever “participated” in a “reportable transaction” within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulation Section 1.6011-4(b), except as could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. Each Co-Borrower under the Aleris Incremental Term Loans is a domestic corporation as defined in Section 7701(a)(30)(C) of the Code (or is a limited liability company that is disregarded as an entity separate from its owner for United States federal income tax purposes and is wholly owned by a domestic corporation). No payment by or on account of any obligation of any Loan Party hereunder, or under any other Loan Document, in respect of the Aleris Incremental Term Loans is subject to any withholding Taxes other than U.S. federal withholding Taxes.

Section 3.14 No Material Misstatements. The written information (including the Confidential Information Memorandum), reports, financial statements, certificates, exhibits or schedules furnished by or on behalf of any Company to any Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, taken as a whole, did not and does not contain any material misstatement of fact and, taken as a whole, did not and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not materially misleading in their presentation of Holdings, the Designated Company and its Subsidiaries taken as a whole as of the date such information is dated or certified; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, each Loan Party represents only that it was prepared in good faith and based on assumptions believed by the applicable Loan Parties to be reasonable.

Section 3.15 Labor Matters. As of the Effective Date and the Closing Date, there are no material strikes, lockouts or labor slowdowns against any Company pending or, to the knowledge of any Company, threatened in writing. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable federal, state, provincial, local or foreign law dealing with such matters in any manner which could reasonably be expected to result in a Material Adverse Effect. All payments due from any Company, or for which any claim may be made against any Company, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Company except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Company is bound, except as could not reasonably be expected to result in a Material Adverse Effect.

Section 3.16 Solvency. At the time of and immediately after each of (i) the consummation of the Transactions to occur on the Effective Date and the Closing Date, (ii) the Aleris Increase Joinder Effective Date, (iii) the Aleris Incremental Escrow Date, (iv) the consummation of the Aleris Acquisition on the Aleris Incremental Funding Date, (v) the Tranche A-1 Refinancing Amendment Effective Date, (vi) the Tranche A-1 Funding Date, and (vii) at the time of and immediately following the making of the initial Credit Extension under any Incremental Term Loan Commitments (other than Aleris Incremental Term Loan Commitments) and after giving effect to the application of the proceeds of each Loan and the operation of the Contribution, Intercompany, Contracting and Offset Agreement, (a) the fair value of the assets of the Designated Company and of the Loan Parties (on a consolidated basis with their Subsidiaries) will exceed their debts and liabilities, subordinated, contingent, prospective or otherwise; (b) the present fair saleable value of the property of the Designated Company and the Loan Parties (on a consolidated basis with their Subsidiaries) will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent, prospective or otherwise, as such debts and other liabilities become absolute and matured; (c) the Designated Company and the Loan Parties (on a consolidated basis with their Subsidiaries) will be able to pay their debts and liabilities, subordinated, contingent, prospective or otherwise, as such debts and liabilities become absolute and matured; (d) the Designated Company and the Loan Parties (on a consolidated basis with their Subsidiaries) will not have unreasonably small assets with which to conduct their business in which they are engaged as such business is now conducted and is proposed to be conducted following the Effective Date; and (e) the Designated Company and the Loan Parties (on a consolidated basis with their Subsidiaries) are not “insolvent” as such term is defined under any bankruptcy, insolvency or similar laws of any jurisdiction in which any Loan Party is organized or incorporated (as applicable), or otherwise unable to pay their debts as they fall due.

Section 3.17 Employee Benefit Plans. Each Company and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect or the imposition of a Lien on any of the property of any Company. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used in the most recent actuarial valuations used for the respective Plans) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the property of all such underfunded Plans in an amount which could reasonably be expected to have a Material Adverse Effect. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of each Company or its ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, could not reasonably be expected to result in a Material Adverse Effect.

To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all Requirements of Law and has been maintained, where required, in good standing with applicable Governmental Authority and Taxing Authority, except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No Company has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan, except to the extent of liabilities which could not reasonably be expected to have a Material Adverse Effect. Each Foreign Plan which is required to be funded is funded in accordance with Requirements of Law, and for each Foreign Plan which is not required to be funded, the obligations of such Foreign Plan are properly accrued in the financial statements of the Designated Company and its Subsidiaries, in each case in an amount that could not reasonably be expected to have a Material Adverse Effect.

Except as specified on Schedule 3.17, (i) no Company is or has at any time been an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993), and (ii) no Company is or has at any time been “connected” with or an “associate” of (as those terms are used in Sections 39 and 43 of the Pensions Act 2004) such an employer.

Section 3.18 Environmental Matters.

(a) Except as, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(i) The Companies and their businesses, operations and Real Property are in compliance with, and the Companies have no liability under, any applicable Environmental Law;

(ii) The Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of their property, under Environmental Law, and all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, under or from any Real Property or facility presently or formerly owned, leased or operated by the Companies or their

predecessors in interest that could reasonably be expected to result in liability of the Companies under any applicable Environmental Law;

(iv) There is no Environmental Claim pending or, to the knowledge of any Company, threatened against the Companies, or relating to the Real Property currently or formerly owned, leased or operated by the Companies or their predecessors in interest or relating to the operations of the Companies, and, to the knowledge of any Company, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Claim;

(v) No Lien has been recorded or, to the knowledge of any Company, threatened under any Environmental Law with respect to any Real Property or other assets of the Companies;

(vi) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not require any notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup pursuant to any Governmental Real Property Disclosure Requirements or any other applicable Environmental Law; and

(vii) No person with an indemnity or contribution obligation to the Companies relating to compliance with or liability under Environmental Law is in default with respect to such obligation.

(b) As of the Effective Date and the Closing Date:

(i) Except as could not reasonably be expected to have a Material Adverse Effect, no Company is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Company is conducting or financing any Response pursuant to any Environmental Law with respect to any Real Property or any other location; and

(ii) No Real Property or facility owned, operated or leased by the Companies and, to the knowledge of the Companies, no Real Property or facility formerly owned, operated or leased by the Companies or any of their predecessors in interest is (i) listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA and is reasonably likely to result in any material liability to any Company, or (iii) included on any other publicly available list of contaminated sites maintained by any Governmental Authority analogous to CERCLA or the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., including any such list relating to the management or clean up of petroleum and is reasonably likely to result in any material liability to a Company.

Section 3.19 Insurance. Schedule 3.19 sets forth a true and correct description of all insurance policies maintained by each Company as of the Effective Date and the Closing Date. All insurance maintained by the Companies to the extent required by Section 5.04 is in full force and effect, and all premiums thereon have been duly paid. As of the Effective Date and the Closing

Date, no Company has received notice of violation or cancellation thereof, the Mortgaged Property, and the use, occupancy and operation thereof, comply in all material respects with all Insurance Requirements, and there exists no material default under any Insurance Requirement. Each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

Section 3.20 Security Documents.

(a) U.S. Security Agreement. Subject to Section 5.15, each of the U.S. Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date and (ii) upon the taking of possession or control by the Collateral Agent of the Security Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Agreement), the Liens created by such Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than such Security Agreement Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(b) Canadian Security Agreement. Subject to Section 5.15, each of the Canadian Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when PPSA financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Canadian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under the PPSA as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(c) U.K. Security Agreement. Subject to Section 5.15, each of the U.K. Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registration specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such U.K. Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(d) Swiss Security Agreement. Subject to Section 5.15, each of the Swiss Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties (or in the case of accessory security, in favor of the Secured Parties), legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Swiss Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests

in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(e) German Security Agreement. Subject to Section 5.15, each of the German Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, or in the case of accessory security, in favor of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such German Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(f) Irish Security Agreement. Subject to Section 5.15, each of the Irish Security Agreements is effective to create in favor of the Collateral Agent for the benefit of and as trustee for the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Irish Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(g) Brazilian Security Agreement. Subject to Section 5.15, each of the Brazilian Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by each of such Brazilian Security Agreements shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(h) Dubai Security Agreement. Subject to Section 5.15, each of the Dubai Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Dubai Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(i) Dutch Security Agreement. Subject to Section 5.15, each of the Dutch Security Agreements is effective to create in favor of the Collateral Agent for its benefit (as creditor under

the Parallel Debt provision set forth in Section 11.36) and for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the date such Person becomes a Loan Party, the Liens created by such Dutch Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(j) Other Security Agreements. Subject to Section 5.15, each of the Security Agreements (other than the Security Agreements described in the other provisions of this Section 3.20) is effective to create in favor of the Collateral Agent (or equivalent agent in such jurisdiction) for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate, the Liens created by such Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(k) French Security Agreement. Subject to Section 5.15, each of the French Security Agreements is effective to create in favor of the French Collateral Agent for its benefit (as creditor under the Parallel Debt provision set forth in Section 11.24) and for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such French Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(l) Belgian Security Agreement. Subject to Section 5.15, each of the Belgian Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the date such Person becomes a Loan Party, the Liens created by such Belgian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(m) Intellectual Property Filings. When the (i) financing statements and other filings in appropriate form referred to on Schedule 7 to the relevant Perfection Certificate have been made, and (ii) U.S. Security Agreement or a short form thereof is filed in the United States Patent and Trademark Office and the United States Copyright Office, the Liens created by such Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in Patents and Trademarks (each as

defined in such Security Agreement) that are registered or applied for by any Loan Party with the United States Patent and Trademark Office or Copyrights (as defined in such Security Agreement) registered or applied for by any Loan Party with the United States Copyright Office, as the case may be, in each case subject to no Liens other than Permitted Liens.

(n) Mortgages. Subject to Section 5.15, each Mortgage (other than a Mortgage granted by a U.K. Guarantor) is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, legal, valid, perfected and enforceable First Priority Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when such Mortgages are filed in the offices specified on Schedule 8(a) to the applicable Perfection Certificates dated the Closing Date (or, in the case of any Mortgage executed and delivered after the date thereof in accordance with the provisions of Sections 5.11 and 5.12, when such Mortgage is filed in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Sections 5.11 and 5.12), the Mortgages shall constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

Subject to Section 5.15, the Mortgages granted by each applicable U.K. Guarantor under the relevant U.K. Security Agreement are effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, legal, valid and enforceable Liens on all of each such Loan Party's right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when the Mortgages are filed with the Land Registry, the Mortgages shall constitute fully perfected First Priority Liens on, and security interest in, all right, title and interest of each applicable U.K. Guarantor in such Mortgaged Property and the proceeds thereof, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Permitted Liens until terminated in accordance with the terms hereof.

(o) Valid Liens. Each Security Document delivered pursuant to Sections 5.11, 5.12 and 5.16 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Collateral thereunder, and (i) when all appropriate filings, registrations or recordings and other actions set forth in the relevant Perfection Certificate are made in the appropriate offices as may be required under applicable law and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent required by any Security Document), such Security Document will constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral, in each case subject to no Liens other than the applicable Permitted Liens.

(p) German Receivables Purchase Agreement. As of the Closing Date, (i) the German Receivables Purchase Agreement is in full force and effect, (ii) each representation and warranty under the Receivables Purchase Agreement of each Loan Party party thereto is true and correct in all material respects on and as of the date made thereunder and (iii) no "Termination Event" (as defined therein) has occurred under the Receivables Purchase Agreement.

Section 3.21 Material Indebtedness Documents. Schedule 3.21 lists, as of the Effective Date and the Closing Date, (i) each material Senior Note Document, (ii) each material Revolving Credit Loan Document, and (iii) each material agreement, certificate, instrument, letter or other document evidencing any other Material Indebtedness other than, prior to the consummation of the Transactions that occur on the Closing Date, the Existing Credit Agreement, and the Lenders have been furnished true and complete copies of each of the foregoing.

Section 3.22 Anti-Terrorism Law; Sanctions and Anti-Corruption Law. No Loan Party or any of its Subsidiaries, or to the knowledge of any Loan Party, any director, officer, agent, employee, or other person acting on behalf of any Loan Party, is in violation of any Requirement of Law relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, Part II.1 of the Criminal Code, R.S.C. 1985, c. C-46, as amended, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c.17, as amended, regulations promulgated pursuant to the Special Economic Measures Act, S.C. 1992 c. 17 and the United Nations Act, R.S.C. 1985 c. U-2, in each case, as amended (collectively, the “**Anti-Terrorism Laws**”).

No Loan Party or any of its Subsidiaries, and to the knowledge of the Loan Parties, any director, officer, agent, employee, or other person acting on behalf of any Loan Party, and no broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Loans is any of the following:

- (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
- (iv) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or
- (v) a person that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (“**OFAC**”) at its official website or any replacement website or other replacement official publication of such list.

No Loan Party and, to the knowledge of the Loan Parties, no broker or other agent of any Loan Party acting in any capacity in connection with the Loans (w) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clauses (i) through (v) above in a manner violative of the Executive Order, any applicable Sanctions or Anti-Terrorism Law, (x) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or Anti-Terrorism Laws, (y) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or (z) is in violation of any applicable Anti-Terrorism Laws.

Neither the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended, and any executive order or requirement of applicable law promulgated thereunder) (the “**Trading With the Enemy Act**”) or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the “**Foreign Assets Control Regulations**”) or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall

include, but shall not be limited to (a) the Executive Order and (b) the Patriot Act) or any other applicable Sanctions. Furthermore, none of the Loan Parties or their Subsidiaries (including Unrestricted Subsidiaries) and, to the Loan Parties' knowledge, their and their Subsidiaries' respective directors, officers, employees, Affiliates or agents (in the case of agents, that will act in any capacity in connection with or benefit from this Agreement) (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or with any Sanctioned Person, in each case, in any manner violative of any applicable Sanctions or Anti-Terrorism Law or (c) is a Sanctioned Person. Each Loan Party is in compliance, in all material respects, with the Patriot Act. Each Loan Party, its Subsidiaries and their respective officers and employees and to the knowledge of such Loan Party its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) or any of its Subsidiaries being designated as a Sanctioned Person. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any law, rule or regulation of any jurisdiction applicable to Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) or any of its Subsidiaries from time to time concerning or relating to bribery or corruption including the *Corruption of Foreign Public Officials Act* (Canada) (collectively, "**Anti-Corruption Laws**"). "**Sanctioned Country**" means, at any time, a country or territory which is itself, or whose government is, the subject or target of any Sanctions. "**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State or by the United Nations Security Council, the European Union, Her~~His~~Majesty's Treasury of the United Kingdom, any EU member state, the Commonwealth of Australia, Japan or Malaysia, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons. "**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, Her~~His~~Majesty's Treasury of the United Kingdom, the Commonwealth of Australia, Singapore, Japan or Malaysia.

The Designated Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Designated Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Notwithstanding the foregoing terms of this Section 3.22, no Affected Credit Party shall be entitled to the benefit of the representations in this Section 3.22 to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws.

Section 3.23 Location of Material Inventory and Equipment. Schedule 3.24 sets forth as of the Effective Date all locations where the aggregate value of Inventory and Equipment (other than mobile Equipment or Inventory in transit) owned by the Loan Parties at each such location exceeds \$1,000,000.

Section 3.24 Senior Notes; Material Indebtedness. The Obligations constitute "Senior Debt" or "Designated Senior Indebtedness" (or any other defined term having a similar purpose) within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with Incremental Term Loans). The Commitments

and the Loans and other extensions of credit under the Loan Documents constitute “Credit Facilities” (or any other defined term having a similar purpose) or liabilities payable under the documentation related to “Credit Facilities” (or any other defined term having a similar purpose), in each case, within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with Incremental Term Loans). The consummation of each of (i) the Transactions, (ii) each incurrence of Indebtedness hereunder and (iii) the granting of the Liens provided for under the Security Documents to secure the Secured Obligations is permitted under, and, in each case, does not require any consent or approval under, the terms of (A) the Senior Note Documents (and any Permitted Refinancings thereof), the Revolving Credit Loan Documents (and any Permitted Revolving Credit Facility Refinancings thereof) or any other Material Indebtedness or (B) any other material agreement or instrument binding upon any Company or any of its property except, in the case of this clause (B), as could not reasonably be expected to result in a Material Adverse Effect.

Section 3.25 Centre of Main Interests and Establishments. For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “**Regulation**”) (or, after June 26, 2017, Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast) (the “**New Regulation**”)), (i) the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each U.K. Guarantor is situated in England and Wales, (ii) the centre of main interest of Irish Guarantor is situated in Ireland or Germany, and it has no “establishment” (as that term is used in Article 2(h) of the Regulation or Article 2(10) of the New Regulation, as applicable) in any jurisdiction other than Ireland or Germany, (iii) the centre of main interest of each Swiss Guarantor is situated in Switzerland, and in each case each has no “establishment” (as that term is used in Article 2(h) of the Regulation or Article 2(10) of the New Regulation, as applicable) in any other jurisdiction, (iv) the centre of main interest of German Seller is situated in Germany, (v) the centre of main interest of each Dutch Guarantor is situated in the Netherlands, and in each case each has no “establishment” (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, (vi) the centre of main interest of each French Guarantor is situated in France, and in each case each has no “establishment” (as that term is used in Article 2(h) of the Regulation or Article 2(10) of the New Regulation, as applicable) in any other jurisdiction, (vii) the centre of main interest of each Belgian Guarantor is situated in Belgium, and in each case each has no “establishment” (as such term is used in Article 2(h) of the regulation) in any other jurisdiction, and (viii) other than as provided in paragraph (ii) above, no Guarantor (to the extent such Guarantor is subject to the Regulation) shall have a centre of main interest other than as situated in its jurisdiction of incorporation.

Section 3.26 Holding and Dormant Companies. Except as may arise under the Loan Documents, the Revolving Credit Loan Documents, any Third Lien Credit Agreement, any Permitted Holdings Indebtedness, (in the case of Novelis Europe Holdings Limited) the Senior Notes, any Permitted First Priority Refinancing Debt, any Permitted Second Priority Refinancing Debt, any Permitted Unsecured Refinancing Debt, the Permitted Short Term Indebtedness, or Indebtedness incurred pursuant to Section 6.01(l) or (u), neither Holdings (nor, on and after the Specified AV Minerals Joinder Date, AV Minerals) nor Novelis Europe Holdings Limited trades or has any liabilities or commitments (actual or contingent, present or future) other than liabilities attributable or incidental to acting as a holding company of shares in the Equity Interests of its Subsidiaries.

Section 3.27 Excluded Collateral Subsidiaries. The Excluded Collateral Subsidiaries as of the Amendment No. 6 Effective Date are listed on Schedule 1.01(c).

Section 3.28 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

Section 3.29 Federal Power Act; Etc. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act, the Interstate Commerce Act or, to the knowledge of such Loan Party, under any other federal or state statute or regulation, in each case, to the extent such regulation would prohibit it from incurring the Obligations or which would otherwise render all or any of the Obligations unenforceable.

Section 3.30 Beneficial Ownership Certification. As of the Second Amendment Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

Section 3.31 No Fiscal Unity. No Company is a member of a fiscal unity for VAT, corporate income tax or any other tax purposes, except for a fiscal unity for VAT or corporate income tax purposes consisting solely of Loan Parties.

ARTICLE IV

CONDITIONS TO CREDIT EXTENSIONS

Section 4.01 Conditions to the Effective Date. The effectiveness of this Agreement shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.01.

(a) Credit Agreement; Certain Foreign Guarantees. The Administrative Agent shall have received executed counterparts of (i) this Agreement, properly executed by an authorized signatory of each applicable signing Loan Party, and (ii) Foreign Guarantees from the Loan Parties organized under the laws of Canada, France, Switzerland, and the Dubai International Financial Centre, properly executed by an authorized signatory of each such signing Loan Party, in the case of clauses (i) and (ii), in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders.

(b) Initial Borrowing Request. The Administrative Agent shall have received a Borrowing Request as required by Section 2.03.

(c) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary, assistant secretary or managing director (where applicable) of each Loan Party dated the Effective Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document (or its equivalent including the constitutional documents) of such Loan Party certified (to the extent customary in the applicable jurisdiction) as of a recent date by the Secretary of State (or equivalent Governmental Authority) of the jurisdiction of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors and/or shareholders, as applicable, of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions, or any other document attached thereto, have not been modified, rescinded, amended or superseded and are in full force and effect, (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary, assistant secretary or managing director executing the certificate in this

clause (i) (to the extent customary in the applicable jurisdiction), and other customary evidence of incumbency) and (D) that the borrowing, guarantee, or granting of Liens with respect to the Loans or any of the other Secured Obligations would not cause any borrowing, guarantee, security or similar limit binding on such Loan Party to be exceeded;

(ii) a certificate as to the good standing (where applicable, or such other customary functionally equivalent certificates or abstracts) of each Loan Party (in so-called “long-form” if available) as of a recent date, from such Secretary of State (or other applicable Governmental Authority);

(iii) evidence that the records of the applicable Loan Parties at the United Kingdom Companies House and each other relevant registrar of companies (or equivalent Governmental Authority) in the respective jurisdictions of organization of the Loan Parties are accurate, complete and up to date and that the latest relevant accounts have been duly filed, where applicable;

(iv) a copy of the constitutional documents of any Person incorporated in Ireland whose shares are (or, pursuant to Section 4.02 or Section 5.15, will be) subject to security under any Security Document, together with any resolutions of the shareholders of such Person adopting such changes to the constitutional documents of that Person to remove any restriction on any transfer of shares or partnership interests (or equivalent) in such Person pursuant to any enforcement of any such Security Document;

(v) [intentionally omitted];

(vi) a written resolution of the shareholders of each Irish Guarantor authorising and approving the terms of, and the performance by each such Irish Guarantor of its obligations under, each of the Loan Documents to which each such Irish Guarantor is to be a party;

(vii) up-to date certified copy of the constitutional documents (e.g., for a German GmbH: *Handelsregisterauszug, Gesellschaftsvertrag, Gesellschafterliste*) for each German Guarantor; and

(viii) such other documents as the Lenders or the Administrative Agent may reasonably request.

(d) Officers’ Certificate. The Administrative Agent shall have received a certificate, dated the Effective Date and signed by an authorized signatory of the Borrower, certifying (i) compliance with the conditions precedent set forth in this Section 4.01 and Section 4.03(b) and (c), (ii) that no Default has occurred and is continuing and (iii) that each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document were true and correct in all material respects on and as of the Effective Date, except to the extent such representations and warranties expressly related to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

(e) Financial Statements; Pro Forma Balance Sheet; Projections. The Administrative Agent shall have received the financial statements described in Section 3.04(a) and for any prior

fiscal years or fiscal quarters requested by the Mandated Lead Arrangers, and the *pro forma* capitalization table described in Section 3.04(c), together with forecasts of the financial performance of the Companies described in Section 3.04(d).

(f) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the Mandated Lead Arrangers and the Lenders, (i) a favorable written opinion of Torys LLP, special counsel for the Loan Parties, and (ii) a favorable written opinion of each local and foreign counsel of the Loan Parties from each jurisdiction in which a Loan Party is organized, in each case (A) dated the Effective Date, (B) addressed to the Agents and the Lenders and (C) covering such matters relating to the Loan Documents delivered on the Effective Date as the Administrative Agent shall reasonably request, including, but not limited to, capacity of each Loan Party to execute, deliver and perform its obligations under each such Loan Document to which it is a party and enforceability of each such Loan Document.

(g) Solvency Certificate. The Administrative Agent shall have received a solvency certificate in the form of Exhibit O (or in such other form as is satisfactory to the Administrative Agent to reflect applicable legal requirements), dated the Effective Date and signed by a senior Financial Officer of each Loan Party or of the Borrower.

(h) Requirements of Law. The Administrative Agent shall be satisfied that Holdings, the Borrower and its Subsidiaries shall be in full compliance with all material Requirements of Law, including Regulations T, U and X of the Board, and shall have received satisfactory evidence of such compliance reasonably requested by them.

(i) Consents. All approvals of Governmental Authorities and third parties necessary to enter into this Agreement shall have been obtained and shall be in full force and effect.

(j) Litigation. There shall be no governmental or judicial action, actual or threatened, that has or would have, singly or in the aggregate, a reasonable likelihood of restraining, preventing or imposing burdensome conditions on the Transactions.

(k) USA Patriot Act. The Lenders shall have received, at least 5 Business Days prior to the Closing Date, all documentation and other information that may be required by the Lenders in order to enable compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and the information described in Section 11.13, in each case to the extent requested thereby at least 10 Business Days prior to the Closing Date.

(l) Process Agent. The Administrative Agent and the Collateral Agent shall have received evidence of the acceptance by the Process Agent of its appointment as such by the Loan Parties.

Section 4.02 Conditions to Initial Credit Extension on the Closing Date. The obligation of each Lender to fund the initial Credit Extension requested to be made by it under this Agreement on the Closing Date shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.02.

(a) The Agreement Termination Date shall not have occurred.

(b) Loan Documents. The Administrative Agent shall have received executed counterparts of each of the following, properly executed by an authorized signatory of each applicable signing Loan Party, each in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders:

- (i) Each Foreign Guarantee (other than the Foreign Guarantees delivered on the Effective Date);
- (ii) an Additional Secured Debt (as defined in the Intercreditor Agreement) designation certificate;
- (iii) the Contribution, Intercompany, Contracting and Offset Agreement;
- (iv) the Subordination Agreement;
- (v) a Note executed by the Borrower in favor of each Lender that has requested a Note prior to the Closing Date;
- (vi) each U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement, each Irish Security Agreement, each Brazilian Security Agreement, each Dubai Security Agreement, each French Security Agreement, and each other Security Document reasonably requested by the Administrative Agent prior to the Closing Date;
- (vii) the Perfection Certificates; and
- (viii) such amendments to, amendments and restatements of, or confirmations or reaffirmations of, or supplements to, existing Security Documents or other Loan Documents, and such additional Security Document, Loan Documents or other filings or actions, in each case as the Administrative Agent or the Collateral Agent may require in connection with the Transactions.

(c) Corporate Documents. The Administrative Agent shall have received:

- (i) a certificate of the secretary, assistant secretary or managing director (where applicable) of each Loan Party dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document (or its equivalent including the constitutional documents) of such Loan Party certified (to the extent customary in the applicable jurisdiction) as of a recent date by the Secretary of State (or equivalent Governmental Authority) of the jurisdiction of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors and/or shareholders, as applicable, of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions, or any other document attached thereto, have not been modified, rescinded, amended or superseded and are in full force and effect, (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary, assistant secretary or managing director executing the certificate in this clause (i) (to the extent customary in the applicable jurisdiction), and other customary evidence of incumbency) and (D) that the borrowing, guarantee,

or granting of Liens with respect to the Loans or any of the other Secured Obligations would not cause any borrowing, guarantee, security or similar limit binding on any Loan Party to be exceeded;

(ii) a certificate as to the good standing (where applicable, or such other customary functionally equivalent certificates or abstracts) of each Loan Party (in so-called “long-form” if available) as of a recent date, from such Secretary of State (or other applicable Governmental Authority);

(iii) evidence that the records of the applicable Loan Parties at the United Kingdom Companies House and each other relevant registrar of companies (or equivalent Governmental Authority) in the respective jurisdictions of organization of the Loan Parties are accurate, complete and up to date and that the latest relevant accounts have been duly filed, where applicable;

(iv) a copy of the constitutional documents of any Person incorporated in Ireland whose shares are (or, pursuant to Section 5.15, will be) subject to security under any Security Document, together with any resolutions of the shareholders of such Person adopting such changes to the constitutional documents of that Person to remove any restriction on any transfer of shares or partnership interests (or equivalent) in such Person pursuant to any enforcement of any such Security Document;

(v) a written authorization from each Irish Guarantor and each Relevant External Company, authorizing each solicitor in McCann Fitzgerald to sign all required security related registration forms required to be delivered to the Companies Registration Office of Ireland in connection with all or any of the Security Documents;

(vi) a written resolution of the shareholders of each Irish Guarantor authorising and approving the terms of, and the performance by each such Irish Guarantor of its obligations under, each of the Loan Documents to which each such Irish Guarantor is to be a party;

(vii) up-to date certified copy of the constitutional documents (e.g., for a German GmbH: *Handelsregisterauszug, Gesellschaftsvertrag, Gesellschafterliste*) for each German Guarantor; and

(viii) such other documents as the Lenders or the Administrative Agent may reasonably request.

(d) Officers’ Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by an authorized signatory of the Borrower, certifying (i) compliance with the conditions precedent set forth in this Section 4.02 and Section 4.03(b) and (c), (ii) that no Default has occurred and is continuing and (iii) that each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document were true and correct in all material respects on and as of the Closing Date, except to the extent such representations and warranties expressly related to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

(e) Financings and Other Transactions, etc. The Transactions shall have been consummated or shall be consummated substantially simultaneously on the Closing Date, in each case in all material respects in accordance with the terms hereof and the terms of the Loan Documents, without the waiver or amendment of any such terms not approved by the Administrative Agent and the Mandated Lead Arrangers other than any waiver or amendment thereof that is not materially adverse to the interests of the Lenders.

(f) Indebtedness and Minority Interests. After giving effect to the Transactions and the other transactions contemplated hereby, no Company shall have outstanding any Indebtedness or preferred stock other than (i) the Loans hereunder, (ii) the Revolving Credit Loans and other extensions of credit under the Revolving Credit Agreement, (iii) the Senior Notes, (iv) the Indebtedness listed on Schedule 6.01(b), (v) Indebtedness owed to, and preferred stock held by, the Borrower or any Guarantor to the extent permitted hereunder and (vi) other Indebtedness permitted under Section 6.01.

(g) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the Mandated Lead Arrangers and the Lenders, (i) a favorable written opinion of Torys LLP, special counsel for the Loan Parties, and (ii) a favorable written opinion of each local and foreign counsel of the Loan Parties listed on Schedule 4.02(g), in each case (A) dated the Closing Date, (B) addressed to the Agents and the Lenders and (C) covering such matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request, including, but not limited to, capacity of each Loan Party to execute, deliver and perform its obligations under each Loan Document to which it is a party and enforceability of each Loan Document.

(h) Solvency Certificate. The Administrative Agent shall have received a solvency certificate in the form of Exhibit O (or in such other form as is satisfactory to the Administrative Agent to reflect applicable legal requirements), dated the Closing Date and signed by a senior Financial Officer of each Loan Party or of the Borrower.

(i) Requirements of Law. The Administrative Agent shall be satisfied that Holdings, the Borrower and its Subsidiaries and the Transactions shall be in full compliance with all material Requirements of Law, including Regulations T, U and X of the Board, and shall have received satisfactory evidence of such compliance reasonably requested by them.

(j) Consents. All approvals of Governmental Authorities and third parties necessary to consummate the Transactions shall have been obtained and shall be in full force and effect.

(k) Litigation. There shall be no governmental or judicial action, actual or threatened, that has or would have, singly or in the aggregate, a reasonable likelihood of restraining, preventing or imposing burdensome conditions on the Transactions.

(l) Fees. The Mandated Lead Arrangers and the Agents shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including the reasonable legal fees and expenses of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Agents, and the reasonable fees and expenses of any local counsel, foreign counsel, appraisers, consultants and other advisors) required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document.

(m) Personal Property Requirements. The Collateral Agent shall have received:

(i) subject to the terms of the Intercreditor Agreement, all certificates, agreements or instruments, if any, representing or

evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(ii) [intentionally omitted];

(iii) [intentionally omitted];

(iv) UCC financing statements in appropriate form for filing under the UCC, filings with the United States Patent and Trademark Office and United States Copyright Office, PPSA filings, and such other documents under applicable Requirements of Law in each jurisdiction as may be necessary or appropriate or, in the opinion of the Collateral Agent, desirable to perfect the Liens created, or purported to be created, by the Security Documents;

(v) certified copies of UCC, United States Patent and Trademark Office and United States Copyright Office, PPSA, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches (in jurisdictions where such searches are available), each of a recent date listing all outstanding financing statements, lien notices or comparable documents that name any Loan Party as debtor and that are filed in those state and county (or other applicable) jurisdictions in which any property of any Loan Party (other than Inventory in transit) is located and the state and county (or other applicable) jurisdictions in which any Loan Party is organized or maintains its principal place of business and such other searches that the Collateral Agent deems necessary or appropriate, none of which are effective to encumber the Collateral covered or intended to be covered by the Security Documents (other than Permitted Liens);

(vi) evidence acceptable to the Collateral Agent of payment or arrangements for payment by the Loan Parties of all applicable recording taxes, fees, charges, costs and expenses required for the recording of the Security Documents;

(vii) evidence that all Liens (other than Permitted Liens) affecting the assets of the Loan Parties have been or will be discharged on or before the Closing Date (or, in the case of financing statement filings or similar notice of lien filings that do not evidence security interests (other than security interests that are discharged on or before the Closing Date), that arrangements with respect to the release or termination thereof satisfactory to the Administrative Agent have been made);

(viii) copies of all notices required to be sent and other documents required to be executed under the Security Documents;

(ix) all share certificates, duly executed and stamped stock transfer forms and other documents of title required to be provided under the Security Documents; and

(x) evidence that the records of each U.K. Guarantor at the United Kingdom Companies House are accurate, complete and up to date and that the latest relevant accounts have been duly filed.

(n) **Lender FATCA Compliance Certifications.** The Administrative Agent shall have received a U.S. tax withholding certificate (or, alternatively, other evidence satisfactory to the Administrative Agent) confirming FATCA compliance from each Lender pursuant to paragraph (v) of Section 2.15(f) (FATCA Information). For the avoidance of doubt, and pursuant to paragraph (viii) of Section 2.15(f) (FATCA Information), the Administrative Agent may rely on such U.S. tax withholding certificate or other evidence from each Lender without further verification, and the Administrative Agent shall not be liable for any action taken by it in respect of such U.S. tax withholding certificate or other evidence under or in connection with paragraph (v), (vi) or (vii) of Section 2.15(f) (FATCA Information).

Notwithstanding the foregoing, to the extent that the execution and delivery of any document or the completion of any task or action is listed on Schedule 5.15, such item shall not be a condition precedent and shall instead be subject to Section 5.15.

Section 4.03 Conditions to Credit Extensions. The obligation of each Lender to make the initial Credit Extension on the Closing Date, and, except as otherwise provided in the applicable Refinancing Amendment, Increase Joinder or Aleris Increase Joinder Amendment, the obligation of any Lenders to make the initial Credit Extension under any Incremental Term Loan Commitments or Other Term Loan Commitments, shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below; provided, that this Section 4.03 shall not apply to the obligations of each Tranche A-1 Term Lender to fund the Tranche A-1 Term Loans on the Tranche A-1 Funding Date.

(a) **Notice.** The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03).

(b) **No Default.** No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(c) **Representations and Warranties.** Each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document (other than Hedging Agreements) shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

(d) **No Legal Bar.** With respect to each Lender, no order, judgment or decree of any Governmental Authority shall purport to restrain such Lender from making any Loans to be made by it. No injunction or other restraining order shall have been issued, shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Loans hereunder.

Each of the delivery of a Borrowing Request and the acceptance by the applicable Co-Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by the applicable Co-Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Section 4.03(b) through (d) have been satisfied (which representation and warranty shall be deemed limited to the knowledge of the Loan Parties in the case of the first sentence of Section 4.03(d)). The Co-Borrowers shall provide such information as the Administrative Agent may reasonably request to confirm that the conditions in Section 4.03(b) through (d) have been satisfied.

Section 4.04 Conditions to Aleris Incremental Term Loans. The obligation of each Aleris Incremental Term Lender to fund the Aleris Incremental Term Loans to the Escrow Account on the Aleris Incremental Escrow Date shall be subject to, and to the satisfaction of, each of the conditions precedent set forth in Section 5 of the Aleris Increase Joinder Amendment. The obligation of the Escrow Agent to fund the Escrowed Amounts to the applicable Co-Borrower (or to the Person designated by such Co-Borrower to receive such Escrowed Amounts pursuant to Section 2.21) on the Aleris Incremental Funding Date shall be subject to, and to the satisfaction of, each of the conditions precedent set forth in Section 6 of the Aleris Increase Joinder Amendment and to compliance with the escrow terms set forth in Section 2.21.

Section 4.05 Conditions to Tranche A-1 Term Loans. The obligation of each Tranche A-1 Term Lender to fund the Tranche A-1 Term Loans on the Tranche A-1 Funding Date shall be subject to, and to the satisfaction of, each of the conditions precedent set forth in Section 5 of the Tranche A-1 Refinancing Amendment.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that, from and after the Closing Date, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, unless the Required Lenders shall otherwise consent in writing, each Loan Party will, and will cause each of its Restricted Subsidiaries to:

Section 5.01 Financial Statements, Reports, etc. Furnish to the Administrative Agent (and the Administrative Agent shall make available to the Lenders, on the Platform or otherwise, in accordance with its customary procedures):

(a) **Annual Reports.** As soon as available and in any event within the earlier of (i) ninety (90) days and (ii) such shorter period as may be required by the Securities and Exchange Commission (including, if applicable, any extension permitted under Rule 12b-25 of the Exchange Act), after the end of each fiscal year (and in any case not less than one time in each calendar year), beginning with the first fiscal year ending after the Closing Date, (i) the consolidated balance sheet of the Designated Company as of the end of such fiscal year and related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto, all prepared in accordance with Regulation S-X and accompanied by an opinion of independent certified public accountants of recognized international standing (which opinion shall not be qualified as to scope or contain any going concern qualification, paragraph of emphasis or explanatory statement), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of the Designated Company as of the dates and for the periods specified in accordance with US GAAP, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Administrative Agent, of the financial condition and results of operations of the Designated Company for such fiscal year, as compared to amounts for the previous fiscal year (it being understood that the information required by clauses (i) and (ii) of this Section 5.01(a) may be furnished in the form of a Form 10-K (so long as the financial statements, narrative report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of the Designated Company and its Restricted Subsidiaries separating out the results by region;

(b) Quarterly Reports. As soon as available and in any event within the earlier of (i) forty-five (45) days and (ii) such shorter period as may be required by the Securities and Exchange Commission (including, if applicable, any extension permitted under Rule 12b-25 of the Exchange Act), after the end of each of the first three fiscal quarters of each fiscal year (i) the consolidated balance sheet of the Designated Company as of the end of such fiscal quarter and related consolidated statements of income and cash flows for such fiscal quarter and for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, and notes thereto, all prepared in accordance with Regulation S-X under the Securities Act and accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of the Designated Company as of the date and for the periods specified in accordance with US GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a) of this Section, except as otherwise disclosed therein and subject to the absence of footnote disclosures and to normal year-end audit adjustments, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Administrative Agent, of the financial condition and results of operations for such fiscal quarter and the then elapsed portion of the fiscal year, as compared to the comparable periods in the previous fiscal year (it being understood that the information required by clauses (i) and (ii) of this Section 5.01(b) may be furnished in the form of a Form 10-Q (so long as the financial statements, management report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of the Designated Company and its Restricted Subsidiaries separating out the results by region;

(c) [Intentionally Omitted];

(d) Financial Officer's Certificate. (i) Concurrently with any delivery of financial statements under Section 5.01(a) or (b), a Compliance Certificate of the Designated Company (which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes) (A) certifying that no Default has occurred or, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (B) concurrently with any delivery of financial statements under Section 5.01(a) above (commencing with the financial statements for the first complete fiscal year of the Designated Company beginning after the Closing Date), setting forth the Designated Company's calculation of Excess Cash Flow, (C) showing a reconciliation of Consolidated EBITDA to the net income set forth on the statement of income, such reconciliation to be on a quarterly basis, (D) calculating in reasonable detail the Consolidated Interest Coverage Ratio and the Senior Secured Net Leverage Ratio for the four fiscal quarter period ended on the last day of the period covered by such financial statements, and certifying as to the Designated Company's compliance (or failure to comply) with the Financial Performance Covenant for the four fiscal quarter period ended on the last day of the period covered by such financial statements, and, if such Compliance Certificate demonstrates an Event of Default of the Financial Performance Covenant, any of the Specified Holders may deliver, together with such Compliance Certificate, notice of their intent to cure (a "**Notice of Intent to Cure**") such Event of Default pursuant to, and to the extent permitted under, Section 8.04; provided that the delivery of a Notice of Intent to Cure shall in no way affect or alter the occurrence, existence or continuation of any such Event of Default or the rights, benefits, powers and remedies of the Administrative Agent and the Lenders under any Loan Document, and (E)(x) specifying all Investments made during the prior fiscal quarter in reliance on Section 6.04(r) and specifying which clause of Section 6.04(r) such Investment was made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied, the Total Net Leverage Ratio and, in the case of Investments made pursuant to Section 6.04(r)(iii), the amount

of Liquidity, (y) specifying all Dividends made during the prior fiscal quarter in reliance on Section 6.08(d), and specifying which clause of Section 6.08(d) such Dividend was made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied, the Total Net Leverage Ratio and, in the case of Dividends made pursuant to Section 6.08(d)(ii), the amount of Liquidity, and (z) specifying all Permitted Prepayments made during the prior fiscal quarter in reliance on Section 6.11(a) and specifying which clause of Section 6.11(a) such Permitted Prepayment was made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied, the Total Net Leverage Ratio and, in the case of a Permitted Prepayment made pursuant to Section 6.11(a)(i)(z)(2), the amount of Liquidity, and (ii) to the extent any Unrestricted Subsidiaries are in existence during the period covered by such financial statements, consolidating balance sheets, statements of income and cash flows separating out the results of the Designated Company and its Restricted Subsidiaries, on the one hand, and the Unrestricted Subsidiaries, on the other;

(e) Officer's Certificate Regarding Organizational Chart and Perfection of Collateral. Concurrently with any delivery of financial statements under Section 5.01(a), a certificate of a Responsible Officer of the Designated Company (which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes) attaching an accurate organizational chart (or confirming that there has been no change in organizational structure) and otherwise setting forth the information required pursuant to the Perfection Certificate Supplement or confirming that there has been no change in such information since the date of the Perfection Certificate or latest Perfection Certificate Supplement;

(f) Public Reports. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, with any national U.S. or non-U.S. securities regulatory authority or securities exchange or with the National Association of Securities Dealers, Inc., or distributed to holders of its publicly held Indebtedness or securities pursuant to the terms of the documentation governing such Indebtedness or securities (or any trustee, agent or other representative therefor), as the case may be; provided that documents required to be delivered pursuant to this clause (f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Designated Company posts such documents, or provides a link thereto on the Designated Company's website (or other location specified by the Designated Company) on the Internet; or (ii) on which such documents are posted on the Designated Company's behalf on the Platform;

(g) Management Letters. Promptly after the receipt thereof by any Company, a copy of any "management letter", exception report or other similar letter or report received by any such person from its certified public accountants and the management's responses thereto;

(h) Projections. Within sixty (60) days of the end of each fiscal year (beginning with the fiscal year ended March 31, 2017), a copy of the annual projections for the Designated Company (including balance sheets, statements of income and sources and uses of cash), for each quarter of the then-current fiscal year prepared in detail on a consolidated basis, with appropriate presentation and discussion of the principal assumptions upon which such forecasts are based, accompanied by the statement of a Financial Officer of the Designated Company to the effect that such assumptions are believed to be reasonable;

(i) **Labor Relations.** Promptly after becoming aware of the same, written notice of (a) any labor dispute to which any Loan Party or any of its Restricted Subsidiaries is or is expected to become a party, including any strikes, lockouts or other labor disputes relating to any of such person's plants and other facilities, which could reasonably be expected to result in a Material Adverse Effect, (b) any Worker Adjustment and Retraining Notification Act or related liability incurred with respect to the closing of any plant or other facility of any such person and (c) any material liability under Requirements of Law similar to the Worker Adjustment and Retraining Notification Act or otherwise arising out of plant closings;

(j) **Asset Sales.** On or prior to an Asset Sale pursuant to Section 6.06(b) hereof the Net Cash Proceeds of which (or the Dollar Equivalent thereof) are anticipated to exceed \$100,000,000, written notice (a) describing such Asset Sale or the nature and material terms and conditions of such transaction and (b) stating the estimated Net Cash Proceeds anticipated to be received by any Loan Party or any of its Restricted Subsidiaries; and

(k) **Other Information.** Promptly, from time to time, such other information regarding the operations, properties, business affairs and condition (financial or otherwise) of any Company, or compliance with the terms of any Loan Document, or matters regarding the Collateral as the Administrative Agent or any Lender (acting through the Administrative Agent) may reasonably request, including, but not limited to, all documentation and other information that may be required from time to time by the Lenders or the Administrative Agent in order to enable compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the information described in Section 11.13.

(l) **Beneficial Ownership Information.** Promptly following any request therefor, provide information and documentation reasonably requested by any Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act and the Beneficial Ownership Regulation.

Section 5.02 Litigation and Other Notices. Furnish to the Administrative Agent written notice of the following promptly (and, in any event, within ten (10) Business Days after acquiring knowledge thereof, or, in the case of an Event of Default under Section 8.01(a), on the Business Day that a Loan Party acquires knowledge thereof):

(a) any Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority, (i) against the Designated Company or other Company that in the reasonable judgment of the Designated Company could reasonably be expected to result in a Material Adverse Effect if adversely determined or (ii) with respect to any Loan Document;

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(d) the occurrence of a Casualty Event involving a Dollar Equivalent amount in excess of \$50,000,000; and

(e) (i) the incurrence of any Lien (other than Permitted Liens) on the Collateral or (ii) the occurrence of any other event which could reasonably be expected to be material with regard to (x) the Revolving Credit Priority Collateral, taken as a whole, or (y) the Pari Passu Priority Collateral, taken as a whole.

Section 5.03 Existence; Businesses and Properties.

(a) Do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence, rights and franchises necessary or desirable in the normal conduct of its business, except (i) other than with respect to each Co-Borrower's legal existence, to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect or (ii) pursuant to a transaction permitted by Section 6.05 or Section 6.06.

(b) Do or cause to be done all things reasonably necessary to obtain, maintain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, privileges, franchises, approvals, authorizations, and Intellectual Property used or necessary to the conduct of its business, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; do or cause to be done all things reasonably necessary to preserve its business and the goodwill and business of the customers, advertisers, suppliers and others having business relations with each Loan Party or any of its Restricted Subsidiaries, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable Requirements of Law (in the case of the U.S. Hold Separate Assets, as such Requirements of Law may be modified pursuant to the U.S. Hold Separate Agreements) (including any and all zoning, building, Environmental Law, ordinance, code or approval or any building permits or any restrictions of record or agreements affecting the Real Property), contractual obligations, and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect (provided that no Affected Credit Party shall be entitled to the benefit of the covenant in respect of compliance with all applicable Requirements of Law in this Section 5.03(b) to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws); and at all times maintain, preserve and protect all of its property and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto reasonably necessary in order that the business carried on in connection therewith may be properly conducted at all times, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Maintain in effect and enforce policies and procedures designed to ensure compliance by Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals), the Designated Company, their respective Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; provided that no Affected Credit Party shall be entitled to the benefit of the covenant in this sentence to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws.

Section 5.04 Insurance.

(a) Generally. Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Mortgaged Properties and other properties material to the business of the Companies against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an "all risk" basis (subject to usual and customary exclusions), (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance and, with respect to Mortgaged Properties located in the United States or in any other jurisdiction requiring such insurance, flood insurance (to the extent such flood insurance is required under clause (c) below),

and (v) worker's compensation insurance and such other insurance as may be required by any Requirement of Law; provided that the Collateral Agent shall be permitted to control the adjustment of any claim thereunder with respect to Pari Passu Priority Collateral involving an amount in excess of \$30,000,000 thereunder after the occurrence and during the continuance of an Event of Default.

(b) Requirements of Insurance. Subject to Section 5.15, all such property and liability insurance maintained by the Loan Parties shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as mortgagee, lender's loss payable or additional insured, as applicable (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance), as applicable, and (iii) if reasonably requested by the Collateral Agent, include a breach of warranty clause; provided that the foregoing clauses (i) through (iii) shall not apply to Aleris and its subsidiaries until the date that is 30 days after the Aleris Acquisition Closing Date (or such later date agreed by the Collateral Agent).

(c) Flood Insurance. Subject to Section 5.15, except to the extent already obtained in accordance with clause (iv) of Section 5.04(a), with respect to each Mortgaged Property located in the United States or another jurisdiction which requires such type of insurance, promptly notify the Administrative Agent, obtain flood insurance in such total amount as is from time to time in scope and substance consistent with market practice and applicable Requirements of Law and Flood Insurance Laws, if at any time the area in which any improvements located on any Mortgaged Property is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and such insurance is required to be obtained pursuant to the requirements of the Flood Insurance Laws, as amended from time to time. Unless the Borrower, the Administrative Agent and the Required Lenders otherwise agree that the Mortgaged Property can continue to be provided under Section 5.11, the Mortgage relating to such Property which is in a special flood hazard area will be released pursuant to Section 11.29.

(d) Broker's Report. As soon as practicable and in any event within ninety (90) days after the end of each fiscal year, deliver to the Administrative Agent and the Collateral Agent (i) a report of a reputable insurance broker with respect to the insurance maintained pursuant to clauses (i)-(iv) of Section 5.04(a) in form and substance consistent with market practice (together with such additional reports (provided such reports are readily ascertainable) as the Administrative Agent or the Collateral Agent may reasonably request), and (ii) such broker's statement that all premiums then due and payable with respect to the coverage maintained pursuant to clauses (i)-(iv) of Section 5.04(a) have been paid and confirming, with respect to any property, physical hazard or liability insurance maintained by a Loan Party, that, subject to Section 5.15, the Collateral Agent has been named as mortgagee, lender's loss payable or additional insured, as applicable.

(e) Mortgaged Properties. Subject to Section 5.15, each Loan Party shall comply in all material respects with all Insurance Requirements in respect of each Mortgaged Property; provided, however, that each Loan Party may, at its own expense and after written notice to the Administrative Agent, (i) contest the applicability or enforceability of any such Insurance Requirements by appropriate legal proceedings, the prosecution of which does not constitute a basis for cancellation or revocation of any insurance coverage required under this Section 5.04 or (ii) cause the Insurance Policy containing any such Insurance Requirement to be replaced by a new policy complying with the provisions of this Section 5.04.

Section 5.05 Taxes.

(a) **Payment of Taxes.** Pay and discharge promptly when due all material Taxes and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien other than a Permitted Lien upon such properties or any part thereof; provided that such payment and discharge shall not be required with respect to any such Tax, charge, levy or claim so long as (x) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with US GAAP (or other applicable accounting rules), and (y) such contest operates to suspend collection of the contested obligation, Tax or charge and enforcement of a Lien other than a Permitted Lien.

(b) **Filing of Tax Returns.** Timely file all material Tax Returns required by applicable Requirements of Law to be filed by it.

(c) **Aleris Co-Borrower Status.** Each Co-Borrower under the Aleris Incremental Term Loans shall be a domestic corporation as defined in Section 7701(a)(30)(C) of the Code (or a limited liability company that is disregarded as an entity separate from its owner for United States federal income tax purposes and wholly owned by a domestic corporation).

(d) **Indemnified Taxes.** To the extent any payment by or on account of any obligation of any Loan Party hereunder, or under any other Loan Document, in respect of the Aleris Incremental Term Loans becomes subject to any withholding Taxes other than U.S. federal withholding Taxes as a result of any action by any Co-Borrower during the Escrow Period or after the Aleris Incremental Funding Date that shall cause such Co-Borrower under the Tax laws of any jurisdiction other than the United States (or any state of the United States or the District of Columbia or political subdivision thereof) to be a resident of or to have an establishment, office, fixed base or branch in such jurisdiction, such non-U.S. federal withholding Taxes shall be Indemnified Taxes and the Loan Parties shall indemnify each Lender for any such non-U.S. federal withholding Taxes in accordance with Section 2.15, but only to the extent that such non-U.S. federal withholding Taxes are not described in any of clauses (b)(i), (b)(iii) and (b)(iv) of the definition of Excluded Taxes.

Section 5.06 Employee Benefits.

(a) Comply with the applicable provisions of ERISA and the Code and any Requirements of Law applicable to any Foreign Plan or Compensation Plan, except where any non-compliance could not reasonably be expected to result in a Material Adverse Effect.

(b) Furnish to the Administrative Agent (x) as soon as possible after, and in any event within five (5) Business Days after any Responsible Officer of any Company or any ERISA Affiliates of any Company knows that, any ERISA Event has occurred, a statement of a Financial Officer of the Designated Company setting forth details as to such ERISA Event and the action, if any, that the Companies propose to take with respect thereto, and (y) upon request by the Administrative Agent, copies of such other documents or governmental reports or filings relating to any Plan (or Foreign Plan, or other employee benefit plan sponsored or contributed to by any Company) as the Administrative Agent shall reasonably request.

(c) (i) Ensure that the Novelis U.K. Pension Plan is funded in accordance with the agreed schedule of contributions dated May 16, 2007 and that no action or omission is taken by any Company in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect; (ii) except for any existing defined benefit pension schemes as specified

on Schedule 3.17 ensure that no Company is or has been at any time an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or “connected” with or an “associate” of (as those terms are defined in Sections 39 or 43 of the Pensions Act 2004) such an employer; (iii) deliver to the Administrative Agent upon request as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes), actuarial reports in relation to all pension schemes mentioned in clause (i) above; (iv) promptly notify the Administrative Agent of any material change in the agreed rate of contributions to any pension schemes mentioned in clause (i) above; (v) promptly notify the Administrative Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to any member of the Group; and (vi) promptly notify the Administrative Agent if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator.

(d) Ensure that all Foreign Plans (except the Novelis U.K. Pension Plan) and Compensation Plans that are required to be funded are funded and contributed to in accordance with their terms to the extent of all Requirements of Law, except where any non-compliance could not reasonably be expected to result in a Material Adverse Effect.

Section 5.07 Maintaining Records; Access to Properties and Inspections; Annual Meetings. Keep proper books of record and account in which full, true and correct entries in conformity in all material respects with GAAP (or other applicable accounting standards) and all Requirements of Law of all financial transactions and the assets and business of each Company and its Restricted Subsidiaries are made of all dealings and transactions in relation to its business and activities, including, without limitation, proper records of intercompany transaction, with full, true and correct entries reflecting all payments received and paid (including, without limitation, funds received by or for the account of any Loan Party from deposit accounts of the other Companies). Each Company will permit any representatives designated by the Administrative Agent (who may be accompanied by any Agent or Lender) to visit and inspect the financial records and the property of such Company on no more than on two occasions per fiscal year so long as no Event of Default is continuing (at reasonable intervals, during normal business hours and within five Business Days after written notification of the same to the Designated Company, except that, during the continuance of an Event of Default, none of such restrictions shall be applicable) and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent (who may be accompanied by any Agent or Lender) to discuss the affairs, finances, accounts and condition of any Company with the officers and employees thereof and advisors therefor (including independent accountants).

Section 5.08 Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in Section 3.12.

Section 5.09 Compliance with Environmental Laws; Environmental Reports.

(a) Comply, and cause all lessees and other persons occupying Real Property owned, operated or leased by any Company to comply, in all respects with all Environmental Laws and Environmental Permits applicable to its operations and Real Property; obtain and renew all Environmental Permits applicable to its operations and Real Property; and conduct all Responses, including any emergency Response, required by, and in accordance with, Environmental Laws, in each case, to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect; provided that no Company shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith

and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with US GAAP or other applicable accounting standards.

(b) If a Default caused by reason of a breach of Section 3.18 or Section 5.09(a) shall have occurred and be continuing for more than thirty (30) days without the Companies commencing activities reasonably likely to cure such Default in accordance with Environmental Laws, at the written request of the Administrative Agent or the Required Lenders through the Administrative Agent, provide to the Lenders as soon as reasonably practicable after such request, at the expense of the Co-Borrowers, an environmental assessment report and/or corrective plan, as applicable, regarding the matters which are the subject of such Default, including, where appropriate, soil and/or groundwater sampling, prepared by an environmental consulting firm and, in form and substance, reasonably acceptable to the Administrative Agent and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or Response to address them and any other corrective measures necessary to achieve compliance with Environmental Laws or cure such Default.

Section 5.10 [INTENTIONALLY OMITTED].

Section 5.11 Additional Collateral; Additional Guarantors.

(a) Subject to the terms of the Intercreditor Agreement and this Section 5.11, with respect to (1) any property acquired after the Closing Date by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, including in connection with any step of the Permitted Reorganization, any Permitted Reorganization Action, any Permitted Aleris Foreign Subsidiary Transfer, and any Person becoming a Specified Aleris Subsidiary, and (2) any property that was Excluded Property but, as of the end of the most recently ended fiscal quarter or in connection with any step of the Permitted Reorganization, any Permitted Reorganization Action, any Permitted Aleris Foreign Subsidiary Transfer, or any Person becoming a Specified Aleris Subsidiary, has ceased to be Excluded Property, promptly (and in any event (w) in the case of newly acquired property, within thirty (30) days after the acquisition thereof, (x) in the case of property that was Excluded Property as a result of the U.S. Hold Separate Order or any U.S. Hold Separate Agreement, within thirty (30) days after the date such property ceases to be Excluded Property, (y) in the case of any other property that was Excluded Property, within thirty (30) days after the end of fiscal quarter in which such property ceases to be Excluded Property; provided that, in the case of clauses (w) through (y), the Administrative Agent may agree to an extension thereof, or (z) immediately in connection with the applicable step(s) of the Permitted Reorganization, the applicable Permitted Reorganization Action, the applicable Permitted Aleris Foreign Subsidiary Transfer, or any Person becoming a Specified Aleris Subsidiary) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a First Priority Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent; provided that the actions required by clauses (i) and (ii) above need not be taken if the costs of doing so are excessive in relation to the benefits afforded thereby, as determined by the Administrative Agent in its reasonable discretion. The Designated Company shall otherwise take such actions and execute and/or deliver to the Administrative Agent and the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents against such after-acquired properties.

(b) With respect to any Person that becomes a Restricted Subsidiary or a Specified Aleris Subsidiary after the Closing Date (other than (w) Aleris Belgium, to the extent that Aleris Belgium is not a Specified Aleris Subsidiary, (x) Aleris Italy, (y) an Excluded Collateral Subsidiary and (z) a Securitization Entity), any Restricted Subsidiary that was an Excluded Collateral Subsidiary but, as of the end of the most recently ended fiscal quarter, has ceased to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d), the definition of Permitted Reorganization, the definition of Permitted Reorganization Actions, or the definition of Permitted Aleris Foreign Subsidiary Transfer, or any property that ceases to be Excluded Property, promptly (and in any event (x) in the case of property that was Excluded Property as a result of the U.S. Hold Separate Order or any U.S. Hold Separate Agreement, within thirty (30) days after the date such property ceases to be Excluded Property, (y) within thirty (30) days after the end of the fiscal quarter in which such Person becomes a Restricted Subsidiary (other than Aleris Luxembourg, which is not required to comply with this Section 5.11(b) until December 31, 2020; provided that the Administrative Agent may agree to an extension of such time period in its sole discretion) or ceases to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d), or after such property (other than property described in clause (x) above) ceased to be Excluded Property; provided that the Administrative Agent may agree to an extension of such time period or (z) immediately upon such Person becoming a Specified Aleris Subsidiary or in connection with the applicable step(s) of the Permitted Reorganization, the definition of Permitted Reorganization Actions, or the definition of Permitted Aleris Foreign Subsidiary Transfer) (i) pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of such Restricted Subsidiary or such Specified Aleris Subsidiary owned by a Loan Party, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Restricted Subsidiary or Specified Aleris Subsidiary to any Loan Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party and (ii) cause any such Restricted Subsidiary (other than a Specified Aleris Subsidiary) that is a Wholly Owned Subsidiary or that is a German Borrower Holding Company or an Aleris German Non-Wholly Owned Subsidiary (other than (x) any Restricted Subsidiary prohibited from being a Guarantor under any applicable Requirement of Law (except as otherwise agreed by any Governmental Authority pursuant to a U.S. Hold Separate Agreement), including any Requirement of Law relating to financial assistance, maintenance of capital or other corporate benefit restrictions and (y) any Restricted Subsidiaries where providing such guarantee would result in (1) materially adverse tax consequences, as determined by the Administrative Agent in its reasonable discretion (after consultation with its counsel) or (2) costs that are excessive in relation to the benefits afforded thereby, as determined by the Administrative Agent in its reasonable discretion) and any such Specified Aleris Subsidiary, in each case to the extent not prohibited by applicable Requirements of Law (in the case of the U.S. Hold Separate Assets, as such Requirements of Law are modified pursuant to a U.S. Hold Separate Agreement), (A) to execute a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor and joinder agreements to the applicable Security Documents (in each case, substantially in the form annexed thereto or in such other form as may be reasonably satisfactory to the Administrative Agent) or, in the case of a Foreign Subsidiary execute such other Security Documents (or joinder agreements) to the extent possible under and compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Administrative Agent, (B) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Liens created by the applicable Security Documents to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent, and (C) in the case of a Subsidiary that ceases to be an Excluded Collateral Subsidiary, to deliver to the Administrative Agent a supplement to Schedule 1.01(c) removing such Subsidiary

from such Schedule. Notwithstanding the foregoing (1) clause (i) of this paragraph (b) shall not apply to the Equity Interests of (w) any Company listed on Schedule 5.11(b) to the extent any applicable Requirement of Law (except as otherwise agreed by any Governmental Authority pursuant to a U.S. Hold Separate Agreement) continues to prohibit the pledging of its Equity Interests to secure the Secured Obligations and any Company acquired or created after the Effective Date to the extent any applicable Requirement of Law (except as otherwise agreed by any Governmental Authority pursuant to a U.S. Hold Separate Agreement) prohibits the pledging of its Equity Interests to secure the Secured Obligations, (x) any non-Wholly Owned Subsidiary (other than each German Borrower Holding Company and each Aleris German Non-Wholly Owned Subsidiary that is a Restricted Subsidiary, but including Aleris German GP Holdco) to the extent that the pledge or perfection of a Lien on such Equity Interests would violate any anti-assignment or negative pledge provisions of any contract to which such non-Wholly Owned Subsidiary is a party or the organizational documents or shareholders' agreement of such non-Wholly Owned Subsidiary (but only to the extent such anti-assignment or negative pledge clause is enforceable under applicable law), (y) any Joint Venture Subsidiary, to the extent the terms of any contract to which such Joint Venture Subsidiary is a party or any applicable joint venture, stockholders', partnership, limited liability company or similar agreement (other than any of the foregoing entered into with any Company or Affiliate of any Company) prohibits or conditions the pledging of its Equity Interests to secure the Secured Obligations and (z) any Restricted Subsidiary (other than a Specified Aleris Subsidiary) to the extent such pledge would result in materially adverse tax consequences, as determined by the Administrative Agent in its reasonable discretion (after consultation with its counsel) and (2) clause (ii) of this paragraph (b) shall not apply to any Company listed on Schedule 5.11(b) to the extent any applicable Requirement of Law (except as otherwise agreed by any Governmental Authority pursuant to a U.S. Hold Separate Agreement) prohibits it from becoming a Loan Party. Notwithstanding anything to the contrary in this Section 5.11(b), with respect to each Foreign Subsidiary that becomes a party to this Agreement after the Second Amendment Effective Date, the obligations of such Foreign Subsidiary under this Agreement, any Guarantee, any Foreign Guarantee, any Security Document, any Joinder Agreement, or any other Loan Document, may be limited (and such agreements may be amended, restated, supplemented or otherwise modified to give effect to such limitations without the consent of any Person other than the Administrative Agent, the Collateral Agent, and such Foreign Subsidiary) in accordance with the Agreed Guarantee and Security Principles on terms reasonably satisfactory to the Administrative Agent and the Borrower. As of the Second Amendment Effective Date, each Lender party to the Second Amendment, which Lenders constitute the Required Lenders, and each Lender that becomes a party to this Agreement after the Second Amendment Effective Date, expressly consents to the terms set forth in, and the rights of the Agents to consent to the terms of the amendments, restatements, supplements and modifications described in, the immediately preceding sentence.

(c) Subject to the terms of the Intercreditor Agreement, promptly grant to the Collateral Agent, (i) in the case of property that is Excluded Property as a result of the U.S. Hold Separate Order or any U.S. Hold Separate Agreement, within sixty (60) days after the date such property ceases to be Excluded Property, (ii) in the case of the ~~automotive finishing plant~~real property located in Guthrie, Kentucky owned by Novelis Corporation, no later than September 30, 2023; provided, however, that within sixty (60) days ~~after of receipt of the Amendment No. 6 Effective Date,~~ (iii) ~~in the case of the sheet ingot casting, shredding~~certificate of occupancy for each constructed facility located on such real property, such mortgage shall be amended to reflect the completion of the applicable facility, and the applicable Loan Party shall provide an updated ALTA-compliant "as built" Survey with respect to the land subject to such mortgage and any improvements located thereon, a date down endorsement to any Title Policy issued in connection with such mortgage (which may include increasing the insured amount provided for thereunder to reflect the value of the improved real property), andrecycling center in Guthrie, Kentucky, if requested by Administrative Agent, a local counsel opinion (in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent) in respect of any such

mortgage amendment (the terms of this proviso, the “Supplemental Mortgage Deliverables”), (iii) that certain parcel of undeveloped land located in Baldwin County, Alabama owned by Novelis Corporation, no later than September 30, 2023; provided, however, that within sixty (60) days of receipt of the certificate of occupancy for ~~such plant~~ each constructed facility located on such real property, such mortgage shall be amended to reflect the completion of the applicable facility, and the applicable Loan Party shall provide the Supplemental Mortgage Deliverables for such real property, and (iv) otherwise, within sixty (60) days of the acquisition thereof (in each case, or such later date agreed by the Administrative Agent) (or immediately in connection with the applicable step(s) of the Permitted Reorganization, any Permitted Reorganization Action, or any Permitted Aleris Foreign Subsidiary Transfer), a security interest in and Mortgage on each Material Real Estate Asset (unless the subject property is already mortgaged to a third party to the extent permitted by Section 6.02 hereof or the costs of doing so are excessive in relation to the benefits afforded thereby, as determined by the Administrative Agent in its reasonable discretion). Subject to the terms of the Intercreditor Agreement, such Mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and the Collateral Agent and shall constitute valid, perfected and enforceable First Priority Liens subject only to Permitted Liens. Subject to the terms of the Intercreditor Agreement, the Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the First Priority Liens in favor of the Collateral Agent required to be granted pursuant to the Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full. Such Loan Party shall otherwise take such actions and execute and/or deliver to the Administrative Agent and the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of any existing Mortgage or new Mortgage against such after-acquired Real Property (including a Title Policy (or title opinion reasonably satisfactory to the Administrative Agent and the Collateral Agent), a Survey (if applicable in the respective jurisdiction), and a local counsel opinion (in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent) in respect of such Mortgage). For purposes of this Section 5.11(c) Real Property owned by a Company that becomes a Loan Party following the Closing Date in accordance with the terms of this Agreement shall be deemed to have been acquired on the later of (x) the date of acquisition of such Real Property and (y) the date such Company becomes a Loan Party.

(d) If, at any time and from time to time after the Closing Date, Restricted Subsidiaries that are not Loan Parties because they are Excluded Collateral Subsidiaries comprise in the aggregate more than 7.5% of the Consolidated Total Assets of the Designated Company and its Subsidiaries as of the end of the most recently ended fiscal quarter or more than 7.5% of Consolidated EBITDA of the Designated Company and its Restricted Subsidiaries as of the end of the most recently ended fiscal quarter, then the Loan Parties shall, not later than 45 days after the date by which financial statements for such fiscal quarter are required to be delivered pursuant to this Agreement (or immediately in connection with the applicable step(s) of the Permitted Reorganization, any Permitted Reorganization Action, or any Permitted Aleris Foreign Subsidiary Transfer), cause one or more of such Restricted Subsidiaries to become Loan Parties (notwithstanding that such Restricted Subsidiaries are, individually, Excluded Collateral Subsidiaries) such that the foregoing condition ceases to be true. The Designated Company may designate a Subsidiary Guarantor that was not a Restricted Subsidiary of the Designated Company on the Closing Date as an Excluded Collateral Subsidiary subject to the terms of the definition thereof, in which event the Guarantee by such Restricted Subsidiary shall be released in accordance with Section 7.09 and the Collateral Agent shall release the Collateral pledged by such Person.

(e) Any Foreign Subsidiary that is a Loan Party that has in the United States at any time (i) a deposit account that is part of the Cash Pooling Arrangements or (ii) property (other than Excluded Property) having an aggregate fair market value in excess of \$5,000,000 for any

such foreign Loan Party, shall execute a joinder agreement to the U.S. Security Agreement reasonably satisfactory to the Administrative Agent.

(f) Notwithstanding any other provision of this Section 5.11 or any provision in any other Loan Document to the contrary, in no event shall this Section 5.11 or such Loan Document obligate any Loan Party to (i) grant a Lien to the Collateral Agent on any Excluded Property or (ii) take any perfection steps with respect to any Excluded Property.

(g) Notwithstanding any other provision of this Section 5.11 or any provision in any other Loan Document to the contrary, in no event shall this Section 5.11 or such Loan Document require (i) to the extent creation of a security interest in a specific asset requires that such asset be described with specificity in the applicable Security Document or filing (including, for example, a list of specific items of Inventory with identification numbers, or descriptions of commercial tort claims), the creation of the Collateral Agent's security interest in such assets, to the extent acquired in a Permitted Acquisition, and (ii) the perfection of the Collateral Agent's security interest in assets acquired in a Permitted Acquisition, in the case of clauses (i) and (ii), until the date that is 60 days after the closing date for such Permitted Acquisition (or such later date as is otherwise permitted pursuant to the other clauses of this Section 5.11 or as otherwise agreed by the Administrative Agent); provided that (A) the perfection of a security interest in Collateral with respect to which a Lien may be perfected by (x) the filing of financing statements under the UCC or equivalent filing system in a non-U.S. jurisdiction, or (y) filing short form security agreements or other filings with the applicable Intellectual Property filing office in the applicable jurisdiction, in the case of clauses (x) and (y), shall be required to occur substantially concurrently with any acquired entity becoming a Loan Party and (B) each Loan Party shall use its commercially reasonable efforts to deliver stock certificates (together with stock powers or equivalent instruments of transfer) representing certificated Equity Interests required to be pledged under this Agreement and the Security Documents (without regard to this clause (g)) as soon as practicable upon the closing of such Permitted Acquisition, and in any case no later than the date that is 60 days after the closing date for such Permitted Acquisition (or such later date as is otherwise permitted pursuant to the other clauses of this Section 5.11 or as otherwise agreed by the Administrative Agent).

(h) Notwithstanding any other provision of this Section 5.11 or any provision in any other Loan Document to the contrary, without the consent of any other person, the Administrative Agent and/or Collateral Agent may (or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Security Document (subject to the consent of the Loan Parties party thereto except as otherwise provided in such Security Document) or enter into any new agreement or instrument, to give effect to the provisions set forth in Section 5.11(f) and (g).

(i) Notwithstanding anything herein or in any other Loan Document to the contrary, Intellectual Property-specific perfection filings in respect of the Collateral shall only be required in the Intellectual Property registries of a Loan Party's jurisdiction of organization, and in the United States of America, the United Kingdom, Germany, Switzerland and, to the extent relevant as it relates to Intellectual Property owned by any Loan Party organized in the United Kingdom or any Participating Member State, the European Union, in each case consistent with past practice or as a result of the United Kingdom exiting the European Union; provided that Intellectual Property owned by a Canadian Loan Party shall not be required to be perfected in Canada.

Section 5.12 Security Interests; Further Assurances. Subject to the terms of the Intercreditor Agreement and Section 5.11(i), promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at the Co-Borrowers' expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and

thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or use commercially reasonable efforts to obtain any consents or waivers as may be reasonably required in connection therewith. Subject to the terms of Section 5.11(i), deliver or cause to be delivered (using commercially reasonable efforts with respect to delivery of items from Persons who are not in the control of any Loan Party) to the Administrative Agent and the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent as the Administrative Agent and the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Loan Document that requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may reasonably require in connection therewith. If the Administrative Agent, the Collateral Agent or the Required Lenders determine that they are required by a Requirement of Law to have appraisals prepared in respect of the Real Property of any Loan Party constituting Collateral, the Designated Company shall provide to the Administrative Agent appraisals that satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA (or other applicable requirements) and are otherwise in form reasonably satisfactory to the Administrative Agent and the Collateral Agent.

Section 5.13 Information Regarding Collateral. Not effect any change (i) in any Loan Party's legal name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which any material Pari Passu Priority Collateral owned by it is located (including the establishment of any such new office or facility) other than changes in location to a property identified on Schedule 3.24, another property location previously identified on a Perfection Certificate Supplement or otherwise by notice to the Administrative Agent and the Collateral Agent, as to which the steps required by clause (B) below have been completed or to a Mortgaged Property or a leased property subject to a Landlord Access Agreement, (iii) in any Loan Party's identity or organizational structure, (iv) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (v) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Collateral Agent and the Administrative Agent not less than ten (10) Business Days' prior written notice (in the form of an Officers' Certificate) of its intention to do so, or such lesser notice period agreed to by the Administrative Agent and the Collateral Agent, clearly describing such change and providing such other information in connection therewith as the Collateral Agent or the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably satisfactory to the Administrative Agent and the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Loan Party agrees to promptly provide the Administrative Agent and the Collateral Agent, upon request therefor, with certified Organizational Documents reflecting any of the changes described in the preceding sentence. For the purposes of the Regulation, (i) no U.K. Guarantor shall change its centre of main interest (as that term is used in Article 3(1) of the Regulation) from England and Wales, (ii) nor shall any Irish Guarantor change its centre of main interest from Ireland or Germany, nor shall Irish Guarantor have an "establishment" (as that term is used in Article 2(h) of the Regulation) in any jurisdiction other than Ireland or Germany, (iii)

nor shall any Swiss Guarantor change its centre of main interest from Switzerland, nor shall any Swiss Guarantor have an “establishment” in any other jurisdiction, (iv) nor shall German Seller change its centre of main interest from Germany, (v) nor shall any Dutch Guarantor change its centre of main interest from the Netherlands, nor shall any Dutch Guarantor have an “establishment” in any other jurisdiction, (vi) nor shall any French Guarantor change its centre of main interest from France, nor shall any French Guarantor have an “establishment” in any other jurisdiction, (vii) nor shall any Belgian Guarantor change its centre of main interest from Belgium, nor shall any Belgian Guarantor have an “establishment” in any other jurisdiction and (viii) other than as provided in paragraph (ii) above, no Guarantor (to the extent such Guarantor is subject to the Regulation) shall have a centre of main interest other than as situated in its jurisdiction of incorporation.

Section 5.14 Affirmative Covenants with Respect to Leases. With respect to each Lease to which a Loan Party is party as landlord or lessor, the respective Loan Party shall perform all the obligations imposed upon the landlord under such Lease and enforce all of the tenant’s obligations thereunder, except where the failure to so perform or enforce could not reasonably be expected to result in a Property Material Adverse Effect.

Section 5.15 Post-Closing Covenants; Covenants in Respect of Hedging Agreements Following the Aleris Acquisition Closing Date.

(a) Execute and deliver the documents and complete the tasks and take the other actions set forth on Schedule 5.15 to this Agreement, on Schedule 2 to the Aleris Increase Joinder Amendment, and on Schedule 2 to the Tranche A-1 Refinancing Amendment, as applicable, in each case within the time limits specified on such Schedules.

(b) Promptly following the Aleris Acquisition Closing Date, use reasonable efforts to novate all transactions under the Specified Aleris Hedging Agreements, such that, after giving effect to such novation, such transactions shall be subject solely to the terms and conditions of Hedging Agreements (other than Specified Aleris Hedging Agreements) with one or more Companies, the terms of which shall not require a Lien on any assets of any Company to secure the obligations thereunder (other than solely as a result of the designation of any counterparty thereto as a “Secured Hedge Provider” in accordance with the terms hereof).

(c) No later than the date that is 30 days after the Aleris Acquisition Closing Date, cease entering into any transactions under the Specified Aleris Hedging Agreements.

(d) No later than the date that is 180 days after the Aleris Acquisition Closing Date, cause all Specified Aleris Hedging Agreements to be terminated, and all transactions thereunder to be terminated, novated or cancelled.

(e) Promptly upon the termination, novation or cancellation of each transaction under any Specified Aleris Hedging Agreement, (i) cause all Liens on assets of Aleris or any of its Subsidiaries securing the obligations thereunder to be released (other than Liens arising solely as a result of the designation of any counterparty thereto as a “Secured Hedge Provider” in accordance with the terms hereof), (ii) deliver to the Administrative Agent all documents and filings required or reasonably requested by any Agent to evidence the release of such Liens, and (iii) cause any collateral held by or on behalf of the counterparty to such transaction to promptly be returned to the applicable Company and be pledged to secure the Secured Obligations to the extent required under the Loan Documents on terms reasonably satisfactory to the Administrative Agent and the Collateral Agent (except, in the case of this clause (iii), to the extent that such collateral is cash that is otherwise applied to settle or net out amounts owing under such Hedging Agreement at the time of such termination, novation or cancellation) (the

requirements under this clause (e), collectively, the “**Aleris Hedging Collateral Requirements**”).

(f) No later than the date that is 10 Business Days after the commencement of the Specified Brazilian Expansion, the Designated Company shall deliver to the Administrative Agent written notice of the date that such expansion commenced.

Section 5.16 Designation of Subsidiaries. The Designated Company may at any time after the Closing Date designate any Restricted Subsidiary of the Designated Company as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation, no Default shall have occurred and be continuing, (ii) immediately after giving effect to such designation, the Designated Company shall be in compliance, on a Pro Forma Basis, with the Financial Performance Covenant (it being understood that, as a condition precedent to the effectiveness of any such designation, the Designated Company shall deliver to the Administrative Agent a certificate of a Responsible Officer setting forth in reasonable detail the calculations demonstrating such compliance), (iii) the Consolidated Interest Coverage Ratio for the most recently ended four fiscal quarter period for which financial statements have been delivered pursuant to Section 5.01(a) or (b) shall be greater than 2.00 to 1.00 on a Pro Forma Basis (it being understood that, as a condition precedent to the effectiveness of any such designation, the Designated Company shall deliver to the Administrative Agent a certificate of a Responsible Officer setting forth in reasonable detail the calculations demonstrating such Consolidated Interest Coverage Ratio), (iv) no Subsidiary may be designated as an Unrestricted Subsidiary or continue as an Unrestricted Subsidiary if it is a “Restricted Subsidiary” for the purpose of any of the Senior Notes, the Revolving Credit Agreement, any Additional Senior Secured Indebtedness, any Junior Secured Indebtedness or any other Indebtedness, as applicable, constituting Material Indebtedness, (v) no Restricted Subsidiary may be designated an Unrestricted Subsidiary if it was previously designated an Unrestricted Subsidiary, (vi) if a Restricted Subsidiary is being designated as an Unrestricted Subsidiary under this Section 5.16, the sum of (A) the fair market value of assets of such Subsidiary as of such date of designation (the “**Designation Date**”), plus (B) the aggregate fair market value of assets of all Unrestricted Subsidiaries designated as Unrestricted Subsidiaries pursuant to this Section 5.16 prior to the Designation Date (in each case measured as of the date of each such Unrestricted Subsidiary’s designation as an Unrestricted Subsidiary) shall not exceed \$500,000,000 in the aggregate as of such Designation Date pro forma for such designation, (vii) no Restricted Subsidiary shall be a Subsidiary of an Unrestricted Subsidiary and (viii) no Co-Borrower (and no Person that directly or indirectly owns any Equity Interests of a Co-Borrower) may be designated as an Unrestricted Subsidiary. The designation of any Subsidiary as an Unrestricted Subsidiary under this Section 5.16 after the Closing Date shall constitute an Investment by the Designated Company or its applicable Restricted Subsidiary therein at the date of designation in an amount equal to the fair market value of the Designated Company’s or such Restricted Subsidiary’s (as applicable) Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the Designated Company or any of its Restricted Subsidiaries in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the lesser of (x) the fair market value at the date of such designation of the Designated Company’s or its Restricted Subsidiary’s (as applicable) Investment in such Subsidiary and (y) the amount of Investments made by the Designated Company or its Restricted Subsidiaries in such Unrestricted Subsidiary from and after the date of such Subsidiary was designated as an Unrestricted Subsidiary.

ARTICLE VI

NEGATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that, from and after the Closing Date, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full, unless the Required Lenders (and such other Lenders whose consent may be required under Section 11.02) shall otherwise consent in writing, no Loan Party will, nor will they cause or permit any Restricted Subsidiaries to:

Section 6.01 Indebtedness. Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except

- (a) Indebtedness incurred under this Agreement and the other Loan Documents;
- (b) (i) Indebtedness outstanding on the Closing Date and listed on Schedule 6.01(b) and Permitted Refinancings thereof, and (ii) Indebtedness of Loan Parties under the Revolving Credit Loan Documents and Permitted Revolving Credit Facility Refinancings thereof in an aggregate principal amount at any time outstanding not to exceed the Maximum Revolving Credit Facility Amount;
- (c) Indebtedness of any Company under Hedging Agreements (including Contingent Obligations of any Company with respect to Hedging Agreements of any other Company); provided that if such Hedging Obligations relate to interest rates, (i) such Hedging Agreements relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Agreements at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Agreements relate;
- (d) Indebtedness permitted by Section 6.04(i) or (s), any other Indebtedness of a Restricted Subsidiary permitted by Section 6.04, and any Indebtedness of Holdings and Novelis Europe Holdings Limited (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) permitted by Section 6.15;
- (e) Indebtedness of any Securitization Entity under any Qualified Securitization Transaction (i) that is without recourse to any Company (other than such Securitization Entity) or any of their respective assets (other than pursuant to Standard Securitization Undertakings) and (ii) that are negotiated in good faith at arm's length; provided that no Default shall be outstanding after giving effect thereto, and (A) with respect to any such Indebtedness of a Securitization Entity that is organized in a Principal Jurisdiction, such transaction is a Permitted German Alternative Financing, Permitted Customer Account Financing or a Permitted Novelis Switzerland Financing, (B) with respect to any such Indebtedness of a Securitization Entity that is organized in a Non-Principal Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Principal Jurisdiction under all Qualified Securitization Transactions under this Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Principal Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Principal Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Principal Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in

each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, and (C) with respect to any such Indebtedness of a Securitization Entity that is organized in a Non-Loan Party Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Loan Party Jurisdiction under all Qualified Securitization Transactions under this Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Loan Party Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Loan Party Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Loan Party Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000;

(f) Indebtedness in respect of Purchase Money Obligations and Capital Lease Obligations, and Permitted Refinancings thereof (other than refinancings funded with intercompany advances); provided that at the time such obligations are incurred, the outstanding amount of Indebtedness incurred under this clause (f) shall not exceed the greater of (x) 10% of Consolidated Net Tangible Assets and (y) \$500,000,000;

(g) Sale and Leaseback Transactions permitted under Section 6.03;

(h) Indebtedness in respect of bid, performance or surety bonds or obligations, workers' compensation claims, self-insurance obligations, financing of insurance premiums, and bankers acceptances issued for the account of the Designated Company or any Restricted Subsidiary, in each case, incurred in the ordinary course of business (including guarantees or obligations of the Designated Company or any Restricted Subsidiary with respect to letters of credit supporting such bid, performance or surety bonds or obligations, workers' compensation claims, self-insurance obligations and bankers acceptances) (in each case other than Indebtedness for borrowed money);

(i) Contingent Obligations (i) of any Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Loan Party under this Section 6.01, (ii) of any Loan Party in respect of Indebtedness of Restricted Subsidiaries that are not Loan Parties or are Restricted Grantors in an aggregate amount not exceeding the greater of (x) \$100,000,000 and (y) 2.0% of Consolidated Net Tangible Assets at any one time outstanding less all amounts paid with regard to Contingent Obligations permitted pursuant to Section 6.04(a), and (iii) of any Company that is not a Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Company under this Section 6.01;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five (5) Business Days of incurrence;

(k) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(l) unsecured Indebtedness and Junior Secured Indebtedness not otherwise permitted under this Section 6.01; provided, that (i) such Indebtedness has a final maturity date no earlier

than 180 days after the Latest Maturity Date, (ii) such Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Term Loans with the Latest Maturity Date, (iii) no Default is then continuing or would result therefrom, (iv) such Indebtedness is incurred by a Loan Party and the persons that are (or are required to be) guarantors under such Indebtedness do not consist of any persons other than those persons that are (or are required to be) Loan Parties under and with respect to the Term Loans, (v) the terms of such Indebtedness do not require any amortization, mandatory prepayment or redemption or repurchase at the option of the holder thereof (other than customary offers to purchase upon a change of control or asset sale) earlier than 180 days after the Latest Maturity Date, (vi) such Indebtedness has terms and conditions (excluding pricing, premiums and subordination terms), when taken as a whole, are not materially more restrictive or less favorable to the Companies and are not materially less favorable to the Lenders, than the terms of the Loan Documents (except with respect to terms and conditions that are applicable only after the then Latest Maturity Date), (vii) in the case of any such secured Indebtedness, the Liens securing such Indebtedness, if any, shall be subordinated to the Liens securing the Secured Obligations on a junior “silent” basis in a manner satisfactory to the Administrative Agent (provided that the terms of the Intercreditor Agreement as they relate to subordination are hereby acknowledged as being satisfactory) (and the holders of such Indebtedness shall not have any rights with respect to exercising remedies pursuant to such Liens) and such Liens shall only be on assets that constitute Collateral, (viii) in the case of any such secured Indebtedness, the security agreements relating to such Indebtedness (together with the Intercreditor Agreement) reflect the Junior Lien nature of the security interests and are otherwise substantially the same as the applicable Security Documents (with differences as are reasonably satisfactory to the Administrative Agent), (ix) in the case of any such secured Indebtedness, such Indebtedness and the holders thereof or the Senior Representative thereunder shall be subject to the Intercreditor Agreement and the Liens securing such Indebtedness shall be subject to the Intercreditor Agreement, and (x) after giving effect to the incurrence of such Indebtedness and to the consummation of any Permitted Acquisition or other Investment or application of funds made with the proceeds of such incurrence on a Pro Forma Basis, (A) the Consolidated Interest Coverage Ratio at such date shall be greater than 2.0 to 1.0; and (B) with respect to any such Junior Secured Indebtedness, the Secured Net Leverage Ratio, determined on a Pro Forma Basis, shall be no greater than 5.00 to 1.00 (which shall be evidenced by a certificate from the chief financial officer of the Designated Company demonstrating such compliance calculation in reasonable detail); provided, further that delivery to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness of an Officers’ Certificate of a Responsible Officer of the Designated Company (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Designated Company has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Designated Company within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees);

(m) Indebtedness consisting of working capital facilities, lines of credit or cash management arrangements for Restricted Subsidiaries and Contingent Obligations of Restricted Subsidiaries in respect thereof; provided that no Default shall be outstanding, on a Pro Forma Basis, after giving effect thereto and (A) with respect to any such Indebtedness of a Restricted Subsidiary that is organized in a Principal Jurisdiction, such transaction is a Permitted German Alternative Financing, (B) with respect to any such Indebtedness of a Company that is organized in a Non-Principal Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Principal Jurisdiction under all Qualified Securitization Transactions under Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Principal Jurisdiction then outstanding under this Section 6.01(m), plus (y) the aggregate book value at the time of

determination of the then outstanding Receivables of a Company that is organized in a Non-Principal Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Principal Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, (C) with respect to any such Indebtedness of a Company that is organized in a Non-Loan Party Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Loan Party Jurisdiction under all Qualified Securitization Transactions under Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Loan Party Jurisdiction then outstanding under this Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Loan Party Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Loan Party Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, and (D) with respect to such Indebtedness (x) of a Restricted Subsidiary organized under the laws of Germany, Contingent Obligations with respect thereto shall be limited to other Restricted Subsidiaries organized under the laws of Germany, Switzerland (if such Indebtedness is incurred together with a Permitted Novelis Switzerland Financing) or any Non-Principal Jurisdiction, (y) of a Restricted Subsidiary organized in a Non-Principal Jurisdiction, Contingent Obligations with respect thereto shall be limited to other Restricted Subsidiaries organized in a Non-Principal Jurisdiction and (z) of a Restricted Subsidiary organized in a Non-Loan Party Jurisdiction, Contingent Obligations with respect thereto shall be limited to other Restricted Subsidiaries organized in a Non-Loan Party Jurisdiction;

(n) Indebtedness in respect of indemnification obligations or obligations in respect of purchase price adjustments or similar obligations incurred or assumed by the Loan Parties and their Subsidiaries in connection with (i) an Asset Sale or sale of Equity Interests otherwise permitted under this Agreement and (ii) Permitted Acquisitions or other Investments permitted under this Section 6.04;

(o) unsecured guaranties in the ordinary course of business of any person of the obligations of suppliers, customers, lessors or licensees;

(p) Indebtedness of NKL arising under letters of credit issued in the ordinary course of business;

(q) (i) Indebtedness of any person existing at the time such person is acquired in connection with a Permitted Acquisition or any other Investment permitted under Section 6.04; provided that such Indebtedness is not incurred in connection with or in contemplation of such Permitted Acquisition or other Investment and is not secured by Accounts or Inventory of any Company organized in a Principal Jurisdiction or the proceeds thereof, and at the time of such Permitted Acquisition or other Investment, no Event of Default shall have occurred and be continuing, and (ii) Permitted Refinancings of such Indebtedness, in an aggregate amount, for all such Indebtedness permitted under this clause (q), not to exceed at any time outstanding an amount equal to the sum of (x) the greater of (1) \$200,000,000 and (2) 4% of Consolidated Net Tangible Assets and (y) an additional unlimited amount so long as, on a Pro Forma Basis after

giving effect to the incurrence of such Indebtedness, the Consolidated Interest Coverage Ratio shall be greater than 2.0 to 1.0;

(r) Indebtedness in respect of treasury, depository and cash management services or automated clearinghouse transfer of funds (including the Cash Pooling Arrangements and other pooled account arrangements and netting arrangements and commercial credit card and merchant card services and other bank products or services) in the ordinary course of business, in each case, arising under the terms of customary agreements with any bank;

(s) Permitted Holdings Indebtedness;

(t) Indebtedness constituting the Senior Notes in an aggregate principal amount not to exceed \$3,100,000,000, and Permitted Refinancings thereof (including successive Permitted Refinancings of Indebtedness incurred as a Permitted Refinancing under this clause (t));

(u) Indebtedness of any Loan Party under one or more series of senior secured notes under one or more indentures, provided that (i) such Indebtedness has a final maturity date that is no earlier than the Latest Maturity Date, (ii) such Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Term Loans with the Latest Maturity Date, (iii) no Default is then continuing or would result therefrom, (iv) such Indebtedness is incurred by a Loan Party and the persons that are (or are required to be) guarantors under such Indebtedness do not consist of any persons other than those persons that are (or are required to be) Loan Parties under or in respect to the Term Loans, (v) the terms of such Indebtedness do not require any amortization, mandatory prepayment or redemption or repurchase at the option of the holders thereof (other than customary asset sale or change of control provisions, which asset sale provisions may require the application of proceeds of asset sales and casualty events co-extensive with those set forth in Section 2.10(c) or (e), as applicable, to make mandatory prepayments or prepayment offers out of such proceeds on a pari passu basis with the Secured Obligations, all Permitted First Priority Refinancing Debt and all other Additional Senior Secured Indebtedness) earlier than the Latest Maturity Date, (vi) such Indebtedness has terms and conditions (excluding pricing and premiums), when taken as a whole, that are not materially more restrictive or less favorable to the Companies and the Lenders than the terms of the Loan Documents (except with respect to terms and conditions that are applicable only after the then Latest Maturity Date), (vii) the Liens securing such Indebtedness shall be pari passu with the Liens securing the Secured Obligations (other than with respect to control of remedies) and such Liens shall only be on assets that constitute Collateral, (viii) the security agreements relating to such Indebtedness shall be substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (ix) such Indebtedness and the holders thereof or the Senior Representative thereunder shall be subject to the Intercreditor Agreement and the Liens securing such Indebtedness shall be subject to the Intercreditor Agreement, and (x) after giving effect to the incurrence of such Indebtedness and to the consummation of any Permitted Acquisition or other Investment or application of funds made with the proceeds of such incurrence on a Pro Forma Basis, the Senior Secured Net Leverage Ratio at such date shall be not greater than 3.0 to 1.0 (provided that in calculating the Senior Secured Net Leverage Ratio, the proceeds of the incurrence of such Indebtedness shall be excluded from Unrestricted Cash); provided, further that delivery to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness of an Officers' Certificate of a Responsible Officer of the Designated Company (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Designated Company has determined in good faith that such terms and conditions satisfy the foregoing requirements shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Designated Company within such five Business Day period

that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees);

(v) Permitted Unsecured Refinancing Debt and any Permitted Refinancing thereof (including successive Permitted Refinancings of Indebtedness incurred as a Permitted Refinancing under this clause (v));

(w) Permitted First Priority Refinancing Debt and Permitted Second Priority Refinancing Debt, and any Permitted Refinancings thereof (including successive Permitted Refinancings of Indebtedness incurred as a Permitted Refinancing under this clause (w));

(x) obligations of the Designated Company or any of its Restricted Subsidiaries to reimburse or refund deposits posted by customers pursuant to forward sale agreements entered into by the Designated Company or such Restricted Subsidiary in the ordinary course of business;

(y) unsecured Indebtedness not otherwise permitted under this Section 6.01 in an aggregate principal amount not to exceed the greater of (x) \$500,000,000 and (y) 10% of Consolidated Net Tangible Assets at any time outstanding;

(z) (i) unsecured Indebtedness in respect of obligations of the Designated Company or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money or any Hedging Agreements and (ii) unsecured indebtedness in respect of intercompany obligations of the Designated Company or any Restricted Subsidiary in respect of accounts payable incurred in connection with goods sold or services rendered in the ordinary course of business and not in connection with the borrowing of money;

(aa) Indebtedness representing deferred compensation or similar arrangements to employees, consultants or independent contractors of the Designated Company (or its direct or indirect parent) and its Restricted Subsidiaries incurred in the ordinary course of business or otherwise incurred in connection with the Transactions or any Permitted Acquisition or other Investment permitted under Section 6.04;

(bb) Indebtedness consisting of promissory notes issued to current or former officers, managers, consultants, directors and employees (or respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of capital stock of the Designated Company or any of its direct or indirect parent companies permitted by Section 6.08(j);

(cc) Indebtedness pursuant to industrial revenue bond, direct government loan or similar programs in an aggregate principal amount not to exceed the greater of (x) \$150,000,000 and (y) 3% of Consolidated Net Tangible Assets at any time outstanding;

(dd) Indebtedness of Loan Parties under any Third Lien Credit Agreement and any Permitted Refinancing thereof (including successive Permitted Refinancings of Indebtedness incurred as a Permitted Refinancing under this clause (dd));

(ee) Permitted Short Term Indebtedness; and

(ff) Surviving Aleris Debt and Indebtedness of one or more Companies organized under the laws or the People's Republic of China and, in each case, Permitted Refinancings

thereof; provided that (i) the obligations in respect of the foregoing shall not be secured by any assets of, and shall not be guaranteed by, any Person, other than the assets of, and guarantees by, one or more Companies organized under the laws of the People's Republic of China that is not a Loan Party, and (ii) the aggregate principal amount of Indebtedness and undrawn commitments thereunder shall not exceed \$300,000,000 at any time outstanding.

Notwithstanding anything to the contrary contained in this Section 6.01, accrual of interest, accretion or amortization of original issue discount and the payment of interest in the form of additional Indebtedness will be deemed not to be an incurrence of Indebtedness for purposes of this covenant (but shall, for the avoidance of doubt, be deemed to be Indebtedness for the purposes of calculating any financial ratio, including the Consolidated Interest Coverage Ratio, the Total Net Leverage Ratio, the Secured Net Leverage Ratio or the Senior Secured Net Leverage Ratio, whether calculated under this Section 6.01 or elsewhere in this Agreement).

Section 6.02 Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the “**Permitted Liens**”):

(a) (i) inchoate Liens for Taxes not yet due and payable or delinquent and (ii) Liens for Taxes which are due and payable and are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with US GAAP;

(b) Liens in respect of property of any Company imposed by Requirements of Law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, and (i) which do not in the aggregate materially detract from the value of the property of the Companies, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Companies, taken as a whole, and (ii) which, if they secure obligations that are then due and unpaid for more than 30 days, are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with US GAAP;

(c) any Lien in existence on the Closing Date and set forth on Schedule 6.02(c) that does not attach to the Accounts and Inventory of any Co-Borrower and any Lien granted as a replacement, renewal or substitution therefor; provided that any such replacement, renewal or substitute Lien (i) does not secure an aggregate amount of Indebtedness, if any, greater than that secured on the Closing Date (including undrawn commitments thereunder in effect on the Closing Date, accrued and unpaid interest thereon and fees and premiums payable in connection with a Permitted Refinancing of the Indebtedness secured by such Lien) and (ii) does not encumber any property other than the property subject thereto on the Closing Date (any such Lien, an “**Existing Lien**”);

(d) easements, rights-of-way, restrictions (including zoning restrictions), reservations (including pursuant to any original grant of any Real Property from the applicable Governmental Authority), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies or irregularities on or with respect to any Real Property, in each case whether now or hereafter in existence, not (i) securing Indebtedness for borrowed money or (ii) individually or in the aggregate materially interfering with the ordinary conduct of the business of the Companies at such Real Property;

(e) Liens arising out of judgments, attachments or awards not resulting in an Event of Default that are being contested in good faith by appropriate proceedings diligently conducted

and for which adequate reserves have been provided on the books of the appropriate Company in accordance with US GAAP;

(f) Liens (other than any Lien imposed by ERISA) (x) imposed by Requirements of Law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; provided that (i) with respect to clauses (x), (y) and (z) of this paragraph (f), such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been established on the books of the appropriate Company in accordance with US GAAP, and (ii) to the extent such Liens are not imposed by Requirements of Law, such Liens shall in no event encumber any property other than cash and Cash Equivalents and, with respect to clause (y), property relating to the performance of obligations secured by such bonds or instruments;

(g) (i) Leases, subleases or licenses of the properties of any Company granted to other persons which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company and (ii) interests or title of a lessor, sublessor, licensor or sublicensor or Lien securing a lessor's, sublessor's, licensor's or sublicensor's interest in any lease or license not prohibited by this Agreement;

(h) Liens arising out of conditional sale, hire purchase, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business;

(i) Liens securing Indebtedness incurred pursuant to Section 6.01(f) or Section 6.01(g); provided that any such Liens attach only to the property being financed pursuant to such Indebtedness and any proceeds of such property and do not encumber any other property of any Company (other than pursuant to customary cross-collateralization provisions with respect to other property of a Company that also secure Indebtedness owed to the same financing party or its Affiliates that is permitted under Section 6.01(f), Section 6.01(g) or Section 6.01(cc));

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to treasury, depository and cash management services or automated clearinghouse transfer of funds (including pooled account arrangements and netting arrangements or claims against any clearing agent or custodian with respect thereto); provided that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any other Indebtedness;

(k) (i) Liens granted pursuant to the Loan Documents to secure the Secured Obligations, (ii) pursuant to the Revolving Credit Security Documents to secure the "Secured Obligations" (as defined in the Revolving Credit Agreement) and any Permitted Revolving Credit Facility Refinancings thereof, (iii) pursuant to the Third Lien Security Documents to secure the "Secured Obligations" (as defined in the Third Lien Credit Agreement) and any Permitted Refinancing thereof, (iv) Liens securing Permitted First Priority Refinancing Debt and Permitted Second Priority Refinancing Debt, (v) Liens securing Additional Senior Secured

Indebtedness that are *pari passu* with the Liens securing the Secured Obligations and subject to the terms of the Intercreditor Agreement and (vi) Liens securing Junior Secured Indebtedness that are subordinated to the Liens securing the Secured Obligations and subject to the terms of the Intercreditor Agreement;

(l) licenses of Intellectual Property granted by any Company in the ordinary course of business or pursuant to the U.S. Hold Separate Order, a U.S. Hold Separate Agreement or a Belgian Purchase Document and, in each case, not interfering in any material respect with the ordinary conduct of business of the Companies;

(m) the filing of UCC or PPSA financing statements (or the equivalent in other jurisdictions) solely as a precautionary measure in connection with operating leases or consignment of goods;

(n) (x) Liens on property of Excluded Subsidiaries securing Indebtedness of Excluded Subsidiaries permitted by Section 6.01(m), (y) Liens on property of Restricted Subsidiaries that are organized in a Principal Jurisdiction consisting of Revolving Credit Priority Collateral and Hedging Agreements related to the value of such Revolving Credit Priority Collateral securing Indebtedness of such Restricted Subsidiaries permitted by Section 6.01(m), and (z) Liens on property of NKL securing Indebtedness permitted by Section 6.01(p);

(o) Liens securing the refinancing of any Indebtedness secured by any Lien permitted by clauses (c), (i), (k) or (r) of this Section 6.02 or this clause (o) without any change in the assets subject to such Lien and to the extent such refinanced Indebtedness is permitted by Section 6.01;

(p) to the extent constituting a Lien, the existence of an “equal and ratable” clause in the Senior Note Documents (and any Permitted Refinancings thereof) and other debt securities issued by a Loan Party that are permitted under Section 6.01 (but, in each case, not any security interests granted pursuant thereto);

(q) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(r) Liens on assets acquired in a Permitted Acquisition or other Acquisitions permitted under Section 6.04 or on property of a person existing at the time such person is acquired or merged with or into or amalgamated or consolidated with any Company to the extent permitted hereunder or such assets are acquired (and not created in anticipation or contemplation thereof); provided that (i) such Liens do not extend to property not subject to such Liens at the time of acquisition (other than improvements thereon and proceeds thereof) and are no more favorable to the lienholders than such existing Lien and (ii) (x) such Liens secure obligations in respect of Indebtedness permitted under Section 6.01(ff), so long as such Liens do not extend to any assets of any Person other than the assets of one or more Companies organized under the laws of the People’s Republic of China that is not a Loan Party, or (y) the aggregate principal amount of Indebtedness secured by such Liens does not exceed the greater of (1) \$200,000,000 and (2) 4% of Consolidated Net Tangible Assets at any time outstanding;

(s) (1) any encumbrance or restriction (including put and call agreements) solely in respect of the Equity Interests of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, contained in such Joint Venture’s or Joint Venture Subsidiary’s Organizational Documents or the joint venture agreement or stockholders agreement in respect of such Joint Venture or Joint Venture Subsidiary and (2) to the extent constituting Liens, any encumbrance or restriction imposed by the Logan Joint Venture Arrangement on the Logan Joint Venture Licenses or the

assets (other than Inventory) of Novelis Corporation that, in the ordinary course of business and consistent with past practice, are located at the Logan Location for use or processing by Logan;

(t) (A) Liens granted in connection with Indebtedness permitted under Section 6.01(e) that are limited in each case to the Securitization Assets transferred or assigned pursuant to the related Qualified Securitization Transaction and (B) Liens granted in connection with a Permitted Factoring Facility pursuant to Section 6.06(e) that are limited in each case to precautionary Liens on the Receivables sold, transferred or disposed of pursuant to such transaction, and Liens on the other Factoring Assets with respect thereto;

(u) Liens not otherwise permitted by this Section 6.02 securing liabilities not in excess of the greater of (x) \$100,000,000 and (y) 2% of Consolidated Net Tangible Assets in the aggregate at any time outstanding;

(v) to the extent constituting Liens, rights under purchase and sale agreements with respect to Equity Interests or other assets permitted to be sold in Asset Sales permitted under Section 6.06;

(w) Liens securing obligations owing to the Loan Parties so long as such obligations and Liens, where owing by or on assets of Loan Parties, are subordinated to the Secured Obligations and to the Secured Parties' Liens on the Collateral in a manner satisfactory to the Administrative Agent;

(x) Liens created, arising or securing obligations under the Receivables Purchase Agreements;

(y) Liens on deposits provided by customers or suppliers in favor of such customers or suppliers securing the obligations of the Designated Company or its Restricted Subsidiaries to refund deposits posted by customers or suppliers pursuant to forward sale agreements entered into by the Designated Company or its Restricted Subsidiaries in the ordinary course of business;

(z) Liens on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 6.04 to be applied against the purchase price for such Investment;

(aa) the pledge of Qualified Capital Stock of any Unrestricted Subsidiary;

(bb) Liens in favor of any underwriter, depository or stock exchange on the Equity Interests in NKL or its direct parents, 4260848 Canada Inc., 4260856 Canada Inc. and 8018227 Canada Inc. and any securities accounts in which such Equity Interests are held in connection with any listing or offering of Equity Interests in NKL, to the extent required by applicable Requirements of Law or stock exchange requirements (and not securing Indebtedness);

(cc) (i) Liens that are contractual rights of set-off (A) relating to the establishment of depository relations with banks, (B) relating to pooled deposit or sweep accounts of any Company to permit satisfaction of overdraft or similar obligations and other cash management activities incurred in the ordinary course of business of the Companies or (C) relating to purchase orders and other similar agreements entered into with customers of the Companies in the ordinary course of business, (ii) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (iii) Liens encumbering reasonable customary initial deposits and, to the extent required by applicable law, margin deposits, in each case attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and (iv) Liens in favor of banking institutions, securities intermediaries and clearing agents (including the right of set-off) and which are within

the general parameters customary in the banking industry and not granted in connection with the incurrence of Indebtedness;

(dd) (i) Cash collateral securing Indebtedness incurred pursuant to Section 6.01(h) and (ii) commencing on the Aleris Acquisition Closing Date and ending on the date that is 180 days after such date, cash collateral securing obligations under the Specified Aleris Hedging Agreements;

(ee) Liens securing Indebtedness incurred pursuant to Section 6.01(cc); provided that any such Liens attach only to the property being financed pursuant to such Indebtedness and any proceeds of such property and do not encumber any other property of any Company (other than pursuant to customary cross-collateralization provisions with respect to other property of a Company that also secure Indebtedness owed to the same financing party or its Affiliates that is permitted under Section 6.01(f), Section 6.01(g), or Section 6.01(cc));

(ff) solely to the extent that the Designated Belgian Escrow Funds are required to be deposited in the Designated Belgian Escrow Account pursuant to the Belgian Purchase Documents, Liens on the Designated Belgian Escrow Account and the Designated Belgian Escrow Funds pursuant to the Designated Belgian Escrow Agreement;

(gg) on and after April 13, 2021 until April 13, 2022, Liens securing Permitted Short Term Indebtedness, so long as (i) such Liens solely attach to assets of the Loan Parties organized under the laws of the United States, the states thereof, the District of Columbia, and Canada, and in each case are junior to the Liens securing the Secured Obligations and the Revolving Credit Obligations (under and as defined in the Revolving Credit Agreement), and (ii) such Indebtedness and such Liens are at all times subject to the terms of the Intercreditor Agreement as “Subordinated Lien Debt” (as defined in the Intercreditor Agreement);

(hh) to the extent constituting Liens, premiums paid by any Company to a Captive Insurance Cell pursuant to an insurance, reinsurance or self-insurance policy or agreement with such Captive Insurance Cell or the insurance company affiliated with such cell; provided that such Liens shall not encumber any assets of such Company other than Cash or Cash Equivalents; and

(ii) Liens on cash and Cash Equivalents in an aggregate amount not to exceed \$30,000,000 at any time pledged to secure the liabilities of Captive Insurance Cells under reinsurance contracts related to insurance policies insuring risks related solely to the business and/or properties of the Companies;

provided, however, that notwithstanding any of the foregoing, no consensual Liens (other than Liens permitted under clauses (s), (v), (bb) and (gg) above, in the case of Securities Collateral or Chinese Subsidiary Equity Interests) shall be permitted to exist, directly or indirectly, on any Securities Collateral or any Chinese Subsidiary Equity Interests, other than Liens granted pursuant to the applicable Security Documents and, so long as such Lien is also granted pursuant to the applicable Security Documents, the Revolving Credit Security Documents, the Third Lien Security Documents or any agreement, document or instrument pursuant to which any Lien is granted securing any Additional Secured Indebtedness, Permitted First Priority Refinancing Debt, Permitted Second Priority Refinancing Debt or Junior Secured Indebtedness.

Any reference in this Agreement or any of the other Loan Documents to a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Lien permitted hereunder.

Section 6.03 Sale and Leaseback Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a “**Sale and Leaseback Transaction**”) unless (i) the sale of such property is permitted by Section 6.06, (ii) any Liens arising in connection with its use of such property are permitted by Section 6.02 and (iii) after giving effect to such Sale and Leaseback Transaction, the aggregate fair market value of all properties covered by Sale and Leaseback Transactions entered into would not exceed (A) in the case of a Sale and Leaseback Transaction constituting Indebtedness incurred pursuant to Section 6.01(cc), the greater of (x) \$150,000,000 and (y) 3% of Consolidated Net Tangible Assets at any time and (B) in the case of all other Sale and Leaseback Transactions, the greater of (x) \$250,000,000 and (y) 5% of Consolidated Net Tangible Assets.

Section 6.04 Investments, Loan and Advances. Directly or indirectly, lend money or credit (by way of guarantee or otherwise) or make advances to any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other ownership interest in, or make any capital contribution to, any other person, or purchase or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the property and assets or business of any other person or assets constituting a business unit, line of business or division of any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract (all of the foregoing, collectively, “**Investments**”; it being understood that (x) the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment and when determining the amount of an Investment that remains outstanding, the last paragraph of this Section 6.04 shall apply, (y) in the event a Restricted Subsidiary ceases to be a Restricted Subsidiary as a result of being designated an Unrestricted Subsidiary, the Designated Company will be deemed to have made an Investment in such Unrestricted Subsidiary as of the date of such designation, as provided in Section 5.16 and (z) in the event a Restricted Subsidiary ceases to be a Restricted Subsidiary as a result of an Asset Sale or similar transaction, and the Designated Company and its Restricted Subsidiaries continue to own Equity Interests in such Restricted Subsidiary, the Designated Company will be deemed, at the time of such transaction and after giving effect thereto, to have made an Investment in such Person equal to the fair market value of the Designated Company’s and its Restricted Subsidiaries’ Investments in such Person at such time), except that the following shall be permitted:

(a) Investments consisting of unsecured guaranties by Loan Parties of, or other unsecured Contingent Obligations with respect to, operating payments not constituting Indebtedness for borrowed money incurred by Restricted Subsidiaries that are not Loan Parties or that are Restricted Grantors, in the ordinary course of business, that, to the extent paid by such Loan Party, shall not exceed an aggregate amount equal to the greater of (x) \$100,000,000 and (y) 2% of Consolidated Net Tangible Assets less the amount of Contingent Obligations by Loan Parties in respect of Companies that are not Loan Parties or that are Restricted Grantors permitted pursuant to Section 6.01(i)(ii);

(b) Investments outstanding on the Closing Date and identified on Schedule 6.04(b);

(c) the Companies may (i) acquire and hold accounts receivable owing to any of them if created or acquired in the ordinary course of business or in connection with a Permitted Acquisition or other Acquisition permitted under Section 6.04, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Investments of Securitization Assets in Securitization Entities in connection with Qualified Securitization Transactions permitted by Section 6.01(e);

(e) the Loan Parties and their Restricted Subsidiaries may make loans and advances (including payroll, travel and entertainment related advances) in the ordinary course of business to their respective employees (other than any loans or advances to any director or executive officer (or equivalent thereof) that would be in violation of Section 402 of the Sarbanes-Oxley Act) so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed (when aggregated with loans and advances outstanding pursuant to clause (h) below) \$15,000,000;

(f) any Company may enter into Hedging Agreements (including Contingent Obligations of any Company with respect to Hedging Obligations of any other Company) to the extent permitted by Section 6.01(c);

(g) Investments made by any Company as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06; provided, that if such Investment or Asset Sale involves a Transferred Aleris Foreign Subsidiary, such transaction shall comply with the requirements set forth in the definition of Permitted Aleris Foreign Subsidiary Transfer;

(h) loans and advances to directors, employees and officers of the Loan Parties and their Restricted Subsidiaries for *bona fide* business purposes, in aggregate amount not to exceed (when aggregated with loans and advances outstanding pursuant to clause (e) above) \$15,000,000 at any time outstanding; provided that no loans in violation of Section 402 of the Sarbanes-Oxley Act shall be permitted hereunder;

(i) Investments (i) by any Company in any other Company outstanding on the Closing Date, (ii) by any Company in any Unrestricted Grantor, (iii) by any Restricted Grantor in any other Restricted Grantor, (iv) by an Unrestricted Grantor in any Restricted Grantor so long as, on a Pro Forma Basis after giving effect to and at the time of such Investment, the Consolidated Interest Coverage Ratio shall be greater than 2.0 to 1.0, (v) by any Loan Party in any Company that is not a Loan Party in an aggregate amount not to exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, and (vi) by any Company that is not a Loan Party in any other Company; provided that any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents;

(j) Investments in securities or other obligations received upon foreclosure or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of trade creditors or customers or in connection with the settlement of delinquent accounts in the ordinary course of business, and Investments received in good faith in settlement of disputes or litigation;

(k) Investments in Joint Ventures in which the Loan Parties hold at least 50% of the outstanding Equity Interests or Joint Venture Subsidiaries made with the Net Cash Proceeds of (x) arm's length sales or dispositions for cash of Equity Interests in a Joint Venture Subsidiary for fair market value or (y) the issuance of Equity Interests in a Joint Venture Subsidiary, in each case as permitted by Section 6.06 hereof;

- (l) Investments in Norf GmbH in an aggregate amount not to exceed €100,000,000 at any time outstanding;
- (m) Permitted Acquisitions;
- (n) Investments consisting of Standard Factoring Undertakings in respect of Permitted Factoring Facilities pursuant to Section 6.06(e);
- (o) Mergers, amalgamations and consolidations in compliance with Section 6.05; provided that the Lien on and security interest in such Investment granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable;
- (p) Investments in respect of Cash Pooling Arrangements, subject to the limitations set forth in Section 6.07;
- (q) Investments consisting of guarantees of Indebtedness referred to in clauses (i) (to the extent such guarantee is in effect on the Closing Date or permitted as part of a Permitted Refinancing) and (ii) of Section 6.01(b) and Contingent Obligations permitted by Section 6.01(c) or (i);
- (r) other Investments in an aggregate amount not to exceed:
 - (i) so long as the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investments and any related Indebtedness, would not exceed 3.50 to 1.00, (x) prior to the consummation of the Aleris Acquisition, \$75,000,000 during any fiscal year of the Designated Company or (y) upon and after the consummation of the Aleris Acquisition, \$125,000,000 during any fiscal year of the Designated Company;
 - (ii) so long as (A) the Consolidated Interest Coverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would exceed 2.0 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Cumulative Credit;
 - (iii) so long as (A) the Total Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 4.0 to 1.0, (B) Liquidity after giving effect to such Investment shall be greater than or equal to \$750,000,000 and (C) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Annual Credit;

(iv) so long as (A) the Total Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 3.5 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 3.50 to 1.00, such additional amounts as the Designated Company may determine (the cumulative amount of Investments made after the Closing Date under this clause (iv) at any time that the Total Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would exceed 2.0 to 1.0, referred to as the “**Investment Recapture Amount**”); and

(v) so long as the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Investment and any related Indebtedness, would not exceed 3.50 to 1.00, (i) (A) prior to the consummation of the Aleris Acquisition, \$75,000,000 over the term of this Agreement or (B) upon and after the consummation of the Aleris Acquisition, \$125,000,000 over the term of this Agreement minus (ii) the aggregate amount of Dividends made pursuant to Section 6.08(g);

(s) Investments consisting of unsecured guaranties permitted pursuant to Section 6.01(o);

(t) Investments by any Company in any other Company; provided that such Investment is part of a Series of Cash Neutral Transactions and no Default has occurred and is continuing;

(u) Investments consisting of (i) unsecured guaranties by Novelis Inc. of NKL’s indemnification obligations owing to (x) the Ulsan JV Subsidiary attributable to employment-related claims or claims of former employees of NKL, and (y) the Ulsan Joint Venture Partner for losses of the Ulsan Joint Venture Partner arising from NKL’s breach of representations, warranties and covenants applicable to NKL under the Ulsan Sale Agreement; provided that Novelis Inc.’s maximum aggregate liability under the guaranties described in this clause (i) shall not exceed \$157,500,000, and (ii) an unsecured guaranty by Novelis Inc. of NKL’s indemnification obligations owing to the Ulsan JV Subsidiary for losses of the Ulsan JV Subsidiary arising from environmental liabilities that relate to actions occurring prior to the closing of the Ulsan Share Sale; provided that Novelis Inc.’s maximum aggregate liability under the guaranty described in this clause (ii) shall not exceed \$157,500,000;

(v) Investments in Ulsan JV Subsidiary in an aggregate amount not to exceed ₩125,000,000,000 at any time outstanding;

(w) Investments by any Loan Party in any Company organized under the laws of the People’s Republic of China that is not a Loan Party in an aggregate amount not to exceed \$290,000,000;

(x) to the extent constituting an Investment, (i) the Permitted Reorganization; provided that the terms and conditions set forth in the definition of Permitted Reorganization and, to the extent applicable, the definition of Permitted Reorganization Actions shall have been satisfied; provided, further, that all such Investments involving a loan or advance, or otherwise in the form of an Intercompany Note, shall be documented as an Intercompany Note and shall be subordinated to the Secured Obligations (to the extent evidencing a payment obligation of a Loan Party) on terms reasonably satisfactory to the Administrative Agent, and shall be pledged as Collateral pursuant to the Security Documents, and (ii) the Permitted Aleris Foreign Subsidiary Transfers;

(y) Permitted Fiscal Unity Liability;

(z) solely to the extent that the Designated Belgian Escrow Funds are required to be deposited in the Designated Belgian Escrow Account pursuant to the Belgian Purchase Documents, Investments of the Designated Belgian Escrow Funds pursuant to the Designated Belgian Escrow Agreement;

(aa) Investments in the form of licenses of Intellectual Property by Aleris Belgium and/or Aleris Italy, as licensee, from one or more Companies, as licensors; provided that any such license shall cover only Intellectual Property that is required to be licensed by Aleris Belgium and/or Aleris Italy, as licensee, under the Belgian Purchase Documents or as is otherwise required for Aleris Belgium and/or Aleris Italy to operate the Belgian Hold Separate Business in accordance with the Belgian Purchase Documents (including to the extent that the European Commission or any trustee appointed on its behalf determines that such license is necessary to operate such business);

(bb) Investments in the form of licenses of Intellectual Property in favor of the Persons operating the U.S. Hold Separate Assets, from one or more Companies, as licensors; provided that any such license shall cover only Intellectual Property that is required to be licensed by such Persons under the U.S. Hold Separate Order or a U.S. Hold Separate Agreement, or as is otherwise required for such Persons to operate the U.S. Hold Separate Business in accordance with the U.S. Hold Separate Order and the U.S. Hold Separate Agreements; and

(cc) to the extent constituting Investments, premiums paid by any Company to a Captive Insurance Cell pursuant to an insurance, reinsurance or self-insurance policy or agreement with such Captive Insurance Cell or the insurance company affiliated with such cell;

provided that (x) any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents and (y) with respect to any Investment in an aggregate amount in excess of \$50,000,000, on or prior to the date of any Investment pursuant to Section 6.04(r)(ii), (iii) or (iv), the Designated Company shall deliver to the Administrative Agent an Officer's Certificate specifying which clause of Section 6.04(r) such Investment is being made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied, the Total Net Leverage Ratio, Senior Secured Net Leverage Ratio and Consolidated Interest Coverage Ratio referred to above and, in the case of Investments pursuant to clause (iii) above, the amount of Liquidity referred to therein. An Investment shall be deemed to be outstanding to the extent not returned in the same form as the original Investment to any Company. The outstanding amount of an Investment shall, in the case of a Contingent Obligation that has been terminated, be reduced to the extent no payment is or was made with respect to such Contingent Obligation upon or prior to the termination of such Contingent Obligation; and the outstanding amount of other Investments shall be reduced by the

amount of cash or Cash Equivalents received with respect to such Investment upon the sale or disposition thereof, or constituting a return of capital with respect thereto or, repayment of the principal amount thereof, in the case of a loan or advance.

Section 6.05 Mergers, Amalgamations and Consolidations. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger, amalgamation or consolidation (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

- (a) Asset Sales in compliance with Section 6.06;
- (b) Permitted Acquisitions in compliance with Section 6.04;

(c) (i) any Company may merge, amalgamate or consolidate with or into any Unrestricted Grantor (provided that in the case of any merger, amalgamation or consolidation involving (w) Designated Holdco, Designated Holdco is the surviving or resulting person, (x) except as provided in the definition of Permitted Holdings Amalgamation, the Borrower, the Borrower is the surviving or resulting person, (y) a Co-Borrower, such Co-Borrower is the surviving or resulting person, and (z) in any other case, an Unrestricted Grantor is the surviving or resulting person), (ii) any Restricted Grantor may merge, amalgamate or consolidate with or into any other Restricted Grantor (provided that (x) a Subsidiary Guarantor is the surviving or resulting person or (y) in the case of any merger, amalgamation or consolidation involving a Co-Borrower (other than the Borrower or Designated Holdco), such Co-Borrower is the surviving or resulting person), (iii) Novelis Aluminum Holding Company and Novelis Deutschland GmbH may merge provided Novelis Deutschland GmbH is the surviving or resulting person, and (iv) any Company that is not a Loan Party may merge, amalgamate or consolidate with or into any Restricted Grantor (provided that a Subsidiary Guarantor or a Co-Borrower is the surviving or resulting person); provided that, in the case of each of the foregoing clauses (i) through (iv), (1) the surviving or resulting person is a Wholly Owned Subsidiary of Holdings (or, on and after the Specified AV Minerals Joinder Date, subject to Section 6.15(a)(i), AV Minerals); provided that following a Qualified Borrower IPO, the surviving or resulting person is the Borrower or a Wholly Owned Subsidiary of the Borrower, (2) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable (for purposes of each step of the Permitted Reorganization, without regard to any time periods provided for in such Sections) and (3) no Default is then continuing or would result therefrom; provided that in the case of any amalgamation or consolidation involving a Loan Party, at the request of the Administrative Agent, such Loan Party and each other Loan Party shall confirm its respective Secured Obligations and Liens under the Loan Documents in a manner reasonably satisfactory to the Administrative Agent;

(d) any Restricted Subsidiary that is not a Loan Party may merge, amalgamate or consolidate with or into any other Restricted Subsidiary that is not a Loan Party;

- (e) AV Metals and the Borrower may consummate the Permitted Holdings Amalgamation;

(f) any Restricted Subsidiary of the Designated Company (other than a Co-Borrower) may dissolve, liquidate or wind up its affairs at any time; provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect; and

(g) any Unrestricted Grantor (other than Holdings, Designated Holdco or the Co-Borrowers (or, on and after the Specified AV Minerals Joinder Date, AV Minerals)) may

dissolve, liquidate or wind-up its affairs (collectively, “**Wind-Up**”), so long as all of its assets are distributed or otherwise transferred to any other Unrestricted Grantor and any Restricted Grantor may Wind-Up so long as all of its assets are distributed or otherwise transferred to a Restricted Grantor or an Unrestricted Grantor; provided that (1) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable and (2) no Default is then continuing or would result therefrom.

Section 6.06 Asset Sales. Effect any Asset Sale except that the following shall be permitted:

(a) disposition of used, worn out, obsolete or surplus property by any Company in the ordinary course of business and the abandonment or other disposition of Intellectual Property that is, in the reasonable judgment of the Designated Company, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole;

(b) so long as no Default is then continuing or would result therefrom, any other Asset Sale (other than the Equity Interests of any German Borrower Holding Company, Aleris German Non-Wholly Owned Subsidiary, or Wholly Owned Subsidiary, in each case that is a Restricted Subsidiary, unless, after giving effect to any such Asset Sale, such person either ceases to be a Restricted Subsidiary or, in the case of an Excluded Collateral Subsidiary, becomes a Joint Venture Subsidiary) for fair market value, with at least 75% of the consideration received for all such Asset Sales or related Asset Sales in which the consideration received exceeds \$50,000,000 payable in cash upon such sale (provided, however, that for the purposes of this clause (b), the following shall be deemed to be cash: (i) any liabilities (as shown on the Designated Company’s most recent balance sheet provided hereunder or in the footnotes thereto) of the Designated Company or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Asset Sale and for which Holdings, the Designated Company and all of its Restricted Subsidiaries (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) shall have been validly released by all applicable creditors in writing, (ii) any securities received by the Designated Company or the applicable Restricted Subsidiary from such transferee that are converted by the Designated Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of the applicable Asset Sale, and (iii) aggregate non-cash consideration received by the Designated Company or the applicable Restricted Subsidiary having an aggregate fair market value (determined as of the closing of the applicable Asset Sale for which such non-cash consideration is received) not to exceed \$75,000,000 at any time (net of any non-cash consideration converted into cash));

(c) leases, subleases or licenses of the properties of any Company in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(d) mergers and consolidations, and liquidations and dissolutions in compliance with Section 6.05;

(e) sales, transfers and other dispositions of Receivables for the fair market value thereof in connection with a Permitted Factoring Facility; provided that no Default shall be outstanding after giving effect thereto and (A) with respect to any such sale, transfer or disposition of Receivables incurred by a Company that is organized in a Principal Jurisdiction, such transaction is a Permitted German Alternative Financing, Permitted Customer Account Financing or Permitted Novelis Switzerland Financing, (B) with respect to any such sale, transfer

of disposition of Receivables incurred by a Company that is organized in a Non-Principal Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Principal Jurisdiction under all Qualified Securitization Transactions under Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Principal Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Principal Jurisdiction subject to a Permitted Factoring Facility pursuant to this Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Principal Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, and (C) with respect to any such sale, transfer or disposition of Receivables incurred by a Company that is organized in a Non-Loan Party Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Loan Party Jurisdiction under all Qualified Securitization Transactions under Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Loan Party Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Loan Party Jurisdiction subject to a Permitted Factoring Facility pursuant to this Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Loan Party Jurisdiction for Asset Sales permitted under Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000;

(f) the sale or disposition of cash and Cash Equivalents in connection with a transaction otherwise permitted under the terms of this Agreement;

(g) assignments and licenses of Intellectual Property of any Loan Party and its Subsidiaries in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(h) Asset Sales (i) by and among Unrestricted Grantors (other than Holdings and, on and after the Specified AV Minerals Joinder Date, AV Minerals), (ii) by any Restricted Grantor to any other Restricted Grantor, (iii) by any Restricted Grantor to any Unrestricted Grantor so long as the consideration paid by the Unrestricted Grantor in such Asset Sale does not exceed the fair market value of the property transferred, (iv) by (x) any Unrestricted Grantor to any Restricted Grantor for fair market value and (y) by any Loan Party to any Restricted Subsidiary that is not a Loan Party for fair market value provided that the fair market value of such Asset Sales under this clause (iv) does not exceed the greater of (1) \$200,000,000 and (2) 4% of Consolidated Net Tangible Assets in the aggregate for all such Asset Sales since the Closing Date, (v) by any Company that is not a Loan Party to any Loan Party so long as the consideration paid by the Loan Party in such Asset Sale does not exceed the fair market value of the property transferred, and (vi) by and among Companies that are not Loan Parties; provided that (A) in the case of any transfer from one Loan Party to another Loan Party, any security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to the relevant Security Documents in the assets so transferred shall (1) remain in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or (2) be replaced by security interests granted to the Collateral Agent for the benefit of the relevant

Secured Parties pursuant to the relevant Security Documents, which new security interests shall be in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) and (B) no Default is then continuing or would result therefrom; provided, further, that (I) any Asset Sale of Equity Interests of a Subsidiary of the Designated Company permitted under this clause (h) (such Subsidiary, the “**Transferred Company**”) from an Unrestricted Grantor to a Restricted Grantor shall be conditioned on (1) the satisfaction of the Transfer Conditions as of the date of such transaction and (2) either the creation or existence of an Interim Holding Company, in each case that (X) is a direct Wholly Owned Subsidiary of such Restricted Grantor and that directly owns 100% of the Equity Interests of such Transferred Company after giving effect to such Asset Sale; provided, that if such Transferred Company is an Aleris German Non-Wholly Owned Subsidiary, the Tulip Foundation may continue to directly or indirectly own Equity Interests in such Aleris German Non-Wholly Owned Subsidiary so long as the Tulip Conditions are satisfied at all times and any other Aleris German Non-Wholly Owned Subsidiary that owns such Transferred Company prior to the occurrence of such transfer may continue to own Equity Interests in such Transferred Company, (Y) has complied with the Joinder Requirements and (Z) shall not be permitted to own, on and after the date of such action, any assets other than the Permitted Holding Company Assets (II) solely with respect to the pledge of Equity Interests in or by any Interim Holding Company in connection with a transaction permitted under this clause (h) that complies with the requirements of clauses (I)(X) through (I)(Z) above, and so long as the Transfer Conditions are satisfied as of the date of such transaction, the re-starting of any fraudulent conveyance, fraudulent transfer, preference or hardening period with respect to any Security Document or Lien under any Requirement of Law shall not, in itself, constitute a violation of clause (A)(1) or clause (A)(2) of the second proviso to this clause (h), and (III) so long as the Transfer Conditions are satisfied as of the date of such transaction, any guaranty or pledge limitations under the laws of the jurisdiction of organization of (X) an Interim Holding Company with respect to the enforcement of the pledge of Equity Interests directly held by the Loan Party that owns the Equity Interests of such Interim Holding Company, or (Y) any Restricted Grantor that acquires assets pursuant to this clause (h) with respect to the enforcement of the pledge of such assets acquired by such Restricted Grantor, in the case of clauses (III)(X) and (III)(Y), shall not, in itself, constitute a violation of clause (A)(1) or clause (A)(2) of the second proviso to this clause (h);

(i) the Companies may consummate Asset Swaps so long as (x) each such sale is in an arm’s-length transaction and the applicable Company receives at least fair market value consideration (as determined in good faith by such Company), (y) the Collateral Agent shall have a First Priority perfected Lien on the assets acquired pursuant to such Asset Swap at least to the same extent as the assets sold pursuant to such Asset Swap (immediately prior to giving effect thereto) and (z) the aggregate fair market value of all assets sold pursuant to this clause (i) shall not exceed the greater of (1) 2% of Consolidated Net Tangible Assets and (2) \$100,000,000 in the aggregate since the Closing Date; provided that so long as the assets acquired by any Company pursuant to the respective Asset Swap are located in the same country as the assets sold by such Company, such aggregate cap will not apply to such Asset Swap;

(j) sales, transfers and other dispositions of Receivables (whether now existing or arising or acquired in the future) and Related Security to a Securitization Entity in connection with a Qualified Securitization Transaction permitted under Section 6.01(e) and all sales, transfers or other dispositions of Securitization Assets by a Securitization Entity under, and pursuant to, a Qualified Securitization Transaction permitted under Section 6.01(e);

(k) to the extent constituting an Asset Sale, the Permitted Holdings Amalgamation;

(l) issuances of Equity Interests by Joint Venture Subsidiaries and Excluded Collateral Subsidiaries;

(m) Asset Sales among Companies of promissory notes or Equity Interests or similar instruments issued by a Company; provided that such Asset Sales are part of a Series of Cash Neutral Transactions and no Default has occurred and is continuing;

(n) the sale of Receivables made pursuant to the Receivables Purchase Agreement;

(o) to the extent constituting an Asset Sale, Investments permitted by Section 6.04(i);

(p) issuances of Qualified Capital Stock (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Qualified Capital Stock (A) for stock splits, stock dividends and additional issuances of Qualified Capital Stock which do not decrease the percentage ownership of the Loan Parties in any class of the Equity Interests of such issuing Company and (B) by Subsidiaries of the Designated Company formed after the Closing Date to the Designated Company or the Subsidiary of the Designated Company which is to own such Qualified Capital Stock. All Equity Interests issued in accordance with this Section 6.06(p) shall, to the extent required by Section 5.11 or any Security Document or if such Equity Interests are issued by any Loan Party (other than (x) prior to the Specified AV Minerals Joinder Date, Holdings or (y) on and after the Specified AV Minerals Joinder Date, AV Minerals), be delivered to the Collateral Agent;

(q) transfers of 100% of the Equity Interests of any Chinese Subsidiary or Korean Subsidiary of the Designated Company to a wholly-owned U.S. Loan Party; provided that (i) any security interests granted to the Collateral Agent for the benefit of any Secured Parties pursuant to the relevant Security Documents in the Equity Interests so transferred shall be replaced by security interests granted to the Collateral Agent for the benefit of the relevant Secured Parties pursuant to the relevant Security Documents in 100% of the Equity Interests of such U.S. Loan Party and 65% of the Equity Interests of such Chinese Subsidiary if held directly by such U.S. Loan Party, which new security interests shall be in full force and effect and perfected and enforceable (to at least the same extent as the security interests in such transferred Subsidiary in effect immediately prior to such transfer (it being understood that registration of such pledge may take place following such transfer to the extent required by applicable law)) and (ii) no Default is then continuing or would result therefrom;

(r) sales, transfers and other dispositions of Inventory in order to finance working capital; provided that no Default shall be outstanding after giving effect thereto and (A) with respect to any such sale, transfer or disposition by a Company that is organized in a Principal Jurisdiction, such transaction is a Permitted German Alternative Financing, (B) with respect to any such sale, transfer or disposition of Receivables incurred by a Company that is organized in a Non-Principal Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Principal Jurisdiction under all Qualified Securitization Transactions under this Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Principal Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Principal Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Principal Jurisdiction for Asset Sales permitted under this Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000, and (C) with respect to any such sale, transfer or disposition of Receivables incurred by a Company that is organized in a Non-Loan Party Jurisdiction, the sum of (w) the aggregate outstanding principal amount of the Indebtedness of all Securitization Entities that are organized in a Non-Loan Party Jurisdiction

under all Qualified Securitization Transactions under this Section 6.01(e), plus (x) the aggregate amount of Indebtedness incurred by a Subsidiary that is organized in a Non-Loan Party Jurisdiction then outstanding under Section 6.01(m), plus (y) the aggregate book value at the time of determination of the then outstanding Receivables of a Company that is organized in a Non-Loan Party Jurisdiction subject to a Permitted Factoring Facility pursuant to Section 6.06(e) at such time, plus (z) the aggregate consideration received by a Company that is organized in a Non-Loan Party Jurisdiction for Asset Sales permitted under this Section 6.06(r) (net of amounts paid by such Company to repurchase the Inventory subject to such Asset Sales) (but in each case excluding any Permitted German Alternative Financing, any Permitted Novelis Switzerland Financing and any Permitted Customer Account Financing), shall not exceed the greater of (x) 15% of Consolidated Net Tangible Assets and (y) \$750,000,000;

(s) Asset Sales of 100% of the Equity Interests of any Chinese Subsidiary of the Designated Company to a Chinese holding company that is a direct Wholly Owned Subsidiary of the Designated Company; provided that (i) any security interests granted to the Collateral Agent for the benefit of any Secured Parties pursuant to the relevant Security Documents in the Equity Interests so transferred shall be replaced by security interests granted to the Collateral Agent for the benefit of the relevant Secured Parties pursuant to the relevant Security Documents in 100% of the Equity Interests of such holding company Subsidiary, which new security interests shall be in full force and effect and perfected and enforceable (to at least the same extent as the security interests in such transferred Subsidiary in effect immediately prior to such transfer (it being understood that registration of such pledge may take place following such transfer to the extent required by applicable law)) and (ii) no Default is then continuing or would result therefrom;

(t) any sale, lease transfer or other disposition in connection with any industrial revenue bond or similar program that does not result in the recognition of the sale or the asset transfer in accordance with GAAP, or any similar transaction;

(u) the Ulsan Share Sale;

(v) the NKL Share Repurchase;

(w) any Permitted Aleris Foreign Subsidiary Transfer; and

(x) to the extent constituting an Asset Sale, the Permitted Reorganization; provided that the terms and conditions set forth in the definition of Permitted Reorganization and, to the extent applicable, the definition of Permitted Reorganization Actions shall have been satisfied; provided, further, that all such Asset Sales involving (whether as consideration or otherwise) a loan or advance, or that otherwise involves an Intercompany Note, shall be permitted solely to the extent that such loan or advance is documented as an Intercompany Note, and all Intercompany Notes in connection therewith shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent, and shall be pledged as Collateral pursuant to the Security Documents.

Section 6.07 Cash Pooling Arrangements. Amend, vary or waive any term of the Cash Pooling Arrangements or enter into any new pooled account or netting agreement with any Affiliate in a manner materially adverse to the Lenders or which adversely affects the security interests in such accounts. Without the consent of the Administrative Agent under the Revolving Credit Agreement, permit the aggregate amount owed pursuant to the Cash Pooling Arrangements by all Companies who are not Loan Parties (other than any Company (x) that has pledged assets to secure the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and the Collateral Agent and (y) the accounts of which included in such Cash Pooling Arrangements are limited to zero balance disbursement accounts that forward daily all amounts to an account of a Loan Party (subject to customary payments with respect to

overdrafts)) minus the aggregate amount on deposit pursuant to the Cash Pooling Arrangements from such Persons to exceed the greater of (i) €75,000,000 and (ii) 2.0% of Consolidated Net Tangible Assets.

Section 6.08 Dividends. Declare or pay, directly or indirectly, any Dividends with respect to any Company, except that the following shall be permitted:

(a) (i) Dividends by any Company to any Loan Party that is a Wholly Owned Subsidiary of Holdings (or the Borrower or a Wholly Owned Subsidiary of the Borrower following a Qualified Borrower IPO), (ii) on and after the Specified AV Minerals Joinder Date, so long as AV Minerals is a Loan Party and a Qualified IPO has not occurred (other than a Qualified IPO consummated solely with the issuance of Equity Interests by a direct or indirect parent of AV Minerals), Dividends by Holdings to AV Minerals, (iii) Dividends by Holdings (or the Borrower following a Qualified Borrower IPO) and, on and after the Specified AV Minerals Joinder Date, AV Minerals, so long as, after the Specified AV Minerals Joinder Date, AV Minerals is a Loan Party and a Qualified IPO has not occurred (other than a Qualified IPO consummated solely with the issuance of Equity Interests by a direct or indirect parent of AV Minerals), payable solely in Qualified Capital Stock, (iv) Dividends by Holdings and, on and after the Specified AV Minerals Joinder Date, AV Minerals, so long as, after the Specified AV Minerals Joinder Date, AV Minerals is a Loan Party and a Qualified IPO has not occurred (other than a Qualified IPO consummated solely with the issuance of Equity Interests by a direct or indirect parent of AV Minerals), payable with the proceeds of Permitted Holdings Indebtedness, and (v) Dividends by (x) Aleris Casthouse to Aleris Rolled Products or any German Borrower Holding Company, and (y) Aleris Rolled Products to any German Borrower Holding Company, in the case of clauses (x) and (y), to the extent the Person receiving such Dividend continues to be a Loan Party after giving effect to such Dividend;

(b) (i) Dividends by any Company that is not a Loan Party to any other Company that is not a Loan Party but is a Wholly Owned Subsidiary of Holdings (or the Borrower or a Wholly Owned Subsidiary of the Borrower following a Qualified Borrower IPO) and (ii) cash Dividends by any Company that is not a Loan Party to the holders of its Equity Interests on a pro rata basis;

(c) (A) to the extent actually used by Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) to pay such franchise taxes, costs and expenses, fees, payments by the Designated Company to or on behalf of Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals or to Holdings for substantially concurrent payment to AV Minerals) in an amount sufficient to pay franchise taxes and other fees solely required to maintain the legal existence of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals), (B) payments by the Designated Company to or on behalf of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) in an amount sufficient to pay out-of-pocket legal, accounting and filing costs and other expenses in the nature of overhead in the ordinary course of business of Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals), and (C) management, consulting, monitoring and advisory fees and related expenses and termination fees pursuant to a management agreement with one or more Specified Holders relating to the Designated Company (collectively, the “**Management Fees**”), in the case of clauses (A), (B) and (C) in an aggregate amount not to exceed in any calendar year the greater of (i) \$20,000,000 and (ii) 1.5% of the Designated Company’s Consolidated EBITDA in the prior calendar year;

(d) the Designated Company may pay cash Dividends to the holders of its Equity Interests and, if Holdings is a holder of such Equity Interests, the proceeds thereof may be utilized by Holdings to pay cash Dividends to the holders of its Equity Interests in an amount not to exceed:

(i) so long as (A) the Consolidated Interest Coverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would exceed 2.0 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Cumulative Credit;

(ii) so long as (A) the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends, would not exceed 4.0 to 1.0, (B) Liquidity after giving effect to such Dividend shall be greater than or equal to \$750,000,000, and (C) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Annual Credit; and

(iii) so long as (A) the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would not exceed 3.5 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would not exceed 3.50 to 1.00, such additional amounts as the Designated Company may determine (the cumulative amount of Dividends made after the Closing Date under this clause (iii) at any time that the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends, would exceed 2.0 to 1.0, referred to as the “**Dividend Recapture Amount**”);

provided that (x) the Dividends described in this clause (d) shall not be permitted if a Default is continuing at the date of declaration or payment thereof or would result therefrom and (y) with respect to any Dividend in an aggregate amount in excess of \$50,000,000, on or prior to the date of any such Dividend pursuant to this Section 6.08(d), the Designated Company shall deliver to the Administrative Agent an Officer’s Certificate specifying which clause of this Section 6.08(d) such Dividend is being made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied (in the case of Dividends pursuant to clause (i) and (ii) above) and the Total Net Leverage Ratio, the Senior Secured Net Leverage Ratio and the Consolidated Interest Coverage Ratio referred to above and, in the case of Dividends pursuant to clause (ii) above, the amount of Liquidity referred to therein;

(e) to the extent constituting a Dividend, payments permitted by Section 6.09(d) that do not relate to Equity Interests;

(f) [intentionally omitted];

(g) so long as the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Dividends and any related Indebtedness, would not exceed 3.50 to 1.00, the Designated Company may pay additional cash Dividends to Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) the proceeds of which may be utilized by Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) to pay cash Dividends to the holders of its Equity Interests in an aggregate amount not to exceed (i) (A) prior to the consummation of the Aleris Acquisition, \$75,000,000 after the Closing Date or (B) upon and after the consummation of the Aleris Acquisition, \$125,000,000 after the Closing Date minus (ii) the amount of Investments made in reliance on Section 6.04(r)(v); provided that the Dividends described in this clause (g) shall not be permitted if a Default is continuing at the date of declaration or payment thereof or would result therefrom;

(h) Dividends by any Company to any other Company that are part of a Series of Cash Neutral Transactions; provided no Default has occurred and is continuing;

(i) following a Qualified IPO, Dividends paid to Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) (which may pay the proceeds thereof to the holders of its Equity Interests) or, in the case of a Qualified Borrower IPO, its other equity holders, of up to 10% of the net cash proceeds received by (or contributed to the capital of) the Designated Company in or from such Qualified IPO or Qualified Borrower IPO in any fiscal year; and

(j) Dividends to repurchase Equity Interests of Holdings (or, (x) on and after the Designated Holdco Effective Date, Designated Holdco and (y) on and after the Specified AV Minerals Joinder Date, AV Minerals) or any direct or indirect parent entity (or following a Qualified Borrower IPO, Equity Interests of the Borrower) from current or former officers, directors or employees of the Designated Company or any of its Restricted Subsidiaries or any direct or indirect parent entity (or permitted transferees of such current or former officers, directors or employees); provided, however, that the aggregate amount of such repurchases shall not exceed (i) \$20,000,000 in any calendar year prior to completion of a Qualified IPO or Qualified Borrower IPO, or (ii) \$30,000,000 in any calendar year in which a Qualified IPO or Qualified Borrower IPO occurs or any calendar year commencing following completion of a Qualified IPO or Qualified Borrower IPO (with unused amounts in any calendar year being permitted to be carried over for the next two succeeding calendar years); provided, further, that such amount in any calendar year may be increased by an amount not to exceed (x) the cash proceeds received by the Designated Company or any of its Restricted Subsidiaries from the sale of Equity Interests of the Borrower, Holdings (or, (x) on and after the Designated Holdco Effective Date, Designated Holdco and (y) on and after the Specified AV Minerals Joinder Date, AV Minerals) or any parent entity to officers, directors or employees (to the extent contributed to the Designated Company (excluding any portion thereof included in the Cumulative Credit)), plus (y) the cash proceeds of key man life insurance policies in such calendar year.

Section 6.09 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with or for the benefit of any Affiliate of any Company (other than between or among Loan Parties), other than on terms and conditions at least as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

- (a) Dividends permitted by Section 6.08;
- (b) Investments permitted by Section 6.04(d), (e), (h), (i), (l), (p), (s), (z), (aa), or (bb) and other Investments permitted under Section 6.04 in Restricted Subsidiaries and joint ventures; provided that any such joint venture is not owned by any Affiliate of Holdings except through the ownership of the Companies;
- (c) mergers, amalgamations and consolidations permitted by Section 6.05(c), (d), (e), (f) or (g), and Asset Sales permitted by Section 6.06(h)(iv) and (v), or (m);
- (d) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements, in each case approved by the Board of Directors of the Designated Company;
- (e) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods and services, in each case in the ordinary course of business on terms not materially less favorable as might reasonably have been obtained at such time from a Person that is not an Affiliate of the Designated Company, as determined in good faith by the Designated Company, and otherwise not prohibited by the Loan Documents;
- (f) the existence of, and the performance by any Company of its obligations under the terms of, any limited liability company, limited partnership or other Organizational Document or securityholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party on the Closing Date and which has been disclosed in writing to the Administrative Agent as in effect on the Closing Date, and similar agreements that it may enter into thereafter, to the extent not more adverse to the interests of the Lenders in any material respect, when taken as a whole, than any of such documents and agreements as in effect on the Closing Date;
- (g) the Transactions as contemplated by the Loan Documents;
- (h) Qualified Securitization Transactions permitted under Section 6.01(e) and transactions in connection therewith on a basis no less favorable to the applicable Company as would be obtained in a comparable arm's length transaction with a person not an Affiliate thereof;
- (i) cash management netting and pooled account arrangements permitted under Section 6.01(r);
- (j) transactions between or among any Companies that are not Loan Parties;
- (k) transactions pursuant to a management agreement with the Specified Holders so long as the aggregate payment of Management Fees thereunder are permitted under Section 6.08(c);
- (l) transactions between Loan Parties and Companies that are not Loan Parties that are at least as favorable to each such Loan Party as would reasonably be obtained by such Loan Party in a comparable arm's-length transaction with a person other than an Affiliate;
- (m) transactions contemplated by the Receivables Purchase Agreements; and
- (n) transactions required by any Requirement of Law;

provided that notwithstanding any of the foregoing or any other provision of this Agreement, all intercompany loans, advances or other extensions of credit made to or by Companies organized in Switzerland or Germany shall be on fair market terms; provided, further, that for purposes of determining compliance with this Section 6.09, the transactions contemplated under the Belgian Purchase Documents shall be viewed collectively as a series of related transactions and shall not also be tested individually as separate transactions, and the transactions contemplated under the U.S. Hold Separate Agreements shall be viewed collectively as a series of related transactions and shall not also be tested individually as separate transactions.

Section 6.10 Most Favored Nation. If at any time, any Loan Party is a party to or shall enter into any Third Lien Credit Agreement which includes covenants (whether affirmative or negative, and whether maintenance or incurrence) or events of default that are more restrictive than those contained in this Agreement or are not provided for in this Agreement (each such covenant, condition, requirement and default or event of default herein referred to as a “**More Favorable Provision**”), then the Designated Company shall promptly so advise and notify the Administrative Agent in writing. Such writing shall include a verbatim statement of such More Favorable Provision. Such More Favorable Provision shall be automatically incorporated by reference into this Agreement as if set forth fully herein, *mutatis mutandis*, effective as of the date when such More Favorable Provision became effective under such Third Lien Credit Agreement (each such More Favorable Provision as incorporated herein is herein referred to as an “**Incorporated Provision**”). Thereafter, upon the request of the Administrative Agent, the Designated Company and the Administrative Agent shall enter into an additional agreement or an amendment to this Agreement (as the Administrative Agent may request), evidencing the incorporation of such Incorporated Provision.

Section 6.11 Prepayments of Other Indebtedness; Modifications of Organizational Documents and Other Documents, etc.

Directly or indirectly:

(a) (i) make any voluntary or optional payment of principal on or prepayment on or redemption or acquisition for value of, or complete any mandatory prepayment, redemption or purchase offer in respect of, or otherwise voluntarily or optionally defease or segregate funds with respect to, any Indebtedness incurred under Section 6.01(1), Permitted Second Priority Refinancing Debt and Permitted Unsecured Refinancing Debt or any Indebtedness under the Senior Note Documents or any Subordinated Indebtedness or any Permitted Refinancings of any of such Indebtedness, except (x) any such Indebtedness may be prepaid or redeemed with the proceeds of a Permitted Refinancing, (y) so long as no Default is continuing or would result therefrom, Indebtedness under any Third Lien Credit Agreement may be prepaid, and (z) so long as no Default is continuing or would result therefrom, repayments or redemptions of Indebtedness under the Senior Notes Documents, Indebtedness incurred under Section 6.01(1), Permitted Second Priority Refinancing Debt, Permitted Unsecured Refinancing Debt or Subordinated Indebtedness (or any Permitted Refinancings (other than a refinancing with Incremental Term Loans) of any of such Indebtedness) (“**Permitted Prepayments**”) in an amount not to exceed:

(1) so long as (A) the Consolidated Interest Coverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would exceed 2.0 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been

(and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Cumulative Credit;

(2) so long as (A) the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would not exceed 4.0 to 1.0, (B) Liquidity after giving effect to such Permitted Prepayments shall be greater than or equal to \$750,000,000 and (C) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would not exceed 3.50 to 1.00, the then available Annual Credit; and

(3) so long as (A) the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b) calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would not exceed 3.5 to 1.0 and (B) the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would not exceed 3.50 to 1.00, such additional amounts as the Designated Company may determine (the cumulative amount of Permitted Prepayments made after the Closing Date under this clause (3) at any time that the Total Net Leverage Ratio, as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended for which financial statements have been (and are required to have been) delivered under Section 5.01(a) or (b), calculated on a Pro Forma Basis after giving effect to such Permitted Prepayments and any related Indebtedness, would exceed 2.0 to 1.0, referred to as the “**Prepayments Recapture Amount**”); or

(ii) make any payment on or with respect to any Subordinated Indebtedness wholly among Loan Parties in violation of the subordination provisions thereof; or

(iii) make any payment (whether, voluntary, mandatory, scheduled or otherwise) on or with respect to any Subordinated Indebtedness (including payments of principal and interest thereon, but excluding the discharge by Novelis AG (as consideration for the purchase of Accounts under the Receivables Purchase Agreement) of loans or advances made by Novelis AG to German Seller), if an Event of Default is continuing or would result therefrom;

provided that with respect to any Permitted Prepayment in an aggregate amount in excess of \$50,000,000, on or prior to the date of any such payment or redemption pursuant to this Section 6.11(a)(i)(z), the Designated Company shall deliver to the Administrative Agent an Officer's Certificate specifying which clause of this Section 6.11(a)(i)(z) such payment or redemption is being made pursuant to and calculating in reasonable detail the amount of the Cumulative Credit

or Annual Credit, as applicable, immediately prior to such election and the amount thereof elected to be so applied, the Total Net Leverage Ratio, Senior Secured Net Leverage Ratio and Consolidated Interest Coverage Ratio referred to above and, in the case of reliance on clause (2) above, the amount of Liquidity referred to therein.

(b) notwithstanding anything to the contrary in clause (a) above, directly or indirectly make any payment (whether, voluntary, mandatory, scheduled or otherwise) of principal on, or otherwise voluntarily or optionally defease or segregate funds with respect to, Permitted Short Term Indebtedness, if a Default is continuing or would result therefrom;

(c) amend or modify, or permit the amendment or modification of, any provision of any document governing any Material Indebtedness (other than Indebtedness under the Loan Documents or Revolving Credit Loan Documents (or any Permitted Revolving Credit Facility Refinancings thereof)) in any manner that, taken as a whole, is adverse in any material respect to the interests of the Lenders;

(d) amend or modify, or permit the amendment or modification of, any provision of any document governing any Indebtedness under the Revolving Credit Loan Documents (or any Permitted Revolving Credit Facility Refinancings thereof) if such amendment or modification would (i) cause the aggregate principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such amendment or modification, to at any time exceed the Maximum Revolving Credit Facility Amount, (ii) cause such Indebtedness to have a final maturity date earlier than the final maturity date of such Indebtedness immediately prior to such amendment or modification or (iii) result in the persons that are (or are required to be) obligors under such Indebtedness to be different from the persons that are (or are required to be) obligors under such Indebtedness being so amended or modified (unless such persons required to be obligors under such Indebtedness are or are required to be or become obligors under the Loan Documents); or

(e) terminate, amend or modify any of its Organizational Documents (including (x) by the filing or modification of any certificate of designation and (y) any election to treat any Pledged Securities (as defined in the Security Agreement) as a “security” under Section 8-103 of the UCC other than concurrently with the delivery of certificates representing such Pledged Securities to the Collateral Agent) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders’ agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments or modifications or such new agreements which are not adverse in any material respect to the interests of the Lenders.

Section 6.12 Limitation on Certain Restrictions on Restricted Subsidiaries Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Designated Company to (a) pay dividends or make any other distributions on its Equity Interests or any other interest or participation in its profits owned by the Designated Company or any Restricted Subsidiary of the Designated Company, or pay any Indebtedness owed to the Designated Company or a Restricted Subsidiary of the Designated Company, (b) make loans or advances to the Designated Company or any Restricted Subsidiary of the Designated Company or (c) transfer any of its properties to the Designated Company or any Restricted Subsidiary of the Designated Company, except for such encumbrances or restrictions existing under or by reason of (i) applicable Requirements of Law; (ii) this Agreement and the other Loan Documents; (iii) the Senior Note Documents and the Revolving Credit Loan Documents or other Material Indebtedness; provided that in the case of such other Material Indebtedness, such encumbrances and restrictions are, taken as a whole, no more restrictive than such encumbrances and restrictions in the Loan Documents in existence on the Closing Date; (iv) any agreement or instrument evidencing or governing any Indebtedness permitted pursuant to Sections 6.01(c), (m) (to the extent used to finance working capital), or (y).

or (ff), in each case to the extent, in the good faith judgment of the Designated Company, such restrictions and conditions are on customary market terms for Indebtedness of such type and so long as the Designated Company has determined in good faith that such restrictions would not reasonably be expected to impair in any material respect the ability of the Loan Parties to meet their obligations under the Loan Documents; (v) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Company; (vi) customary provisions restricting assignment of any agreement entered into by a Restricted Subsidiary of the Designated Company; (vii) any holder of a Lien permitted by Section 6.02 restricting the transfer of the property subject thereto; (viii) customary provisions in asset sale and stock sale agreements and other similar agreements relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale, in each case that provide for restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the assets or persons subject to such sale agreements; (ix) any agreement in effect at the time such Restricted Subsidiary of the Designated Company becomes a Restricted Subsidiary of the Designated Company, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Restricted Subsidiary of the Designated Company; (x) without affecting the Loan Parties' obligations under Section 5.11, customary provisions in partnership agreements, shareholders' agreements, joint venture agreements, limited liability company organizational governance documents and other Organizational Documents, entered into in the ordinary course of business (or in connection with the formation of such partnership, joint venture, limited liability company or similar person) that (A) restrict the transfer of Equity Interests in such partnership, joint venture, limited liability company or similar person, (B) in the case of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, provide for other restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the Equity Interests in, or property held by, such Joint Venture or Joint Venture Subsidiary, or (C) in the case of the Logan Joint Venture Arrangement, provide for other restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the Logan Joint Venture Licenses or the assets (other than Inventory) of Novelis Corporation that, in the ordinary course of business and consistent with past practice, are located at the Logan Location for use or processing by Logan in accordance with the terms of the Logan Joint Venture Arrangement; (xi) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business; (xii) any instrument governing Indebtedness assumed in connection with any Permitted Acquisition or other Acquisition permitted pursuant to Section 6.04 hereof, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired; (xiii) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise not prohibited by the Loan Documents of the contracts, instruments or obligations referred to in clauses (iii), (ix) or (x) above; provided that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing; (xiv) any restrictions on transfer of the Equity Interests in NKL or its direct parents, 4260848 Canada Inc., 4260856 Canada Inc. and 8018227 Canada Inc., imposed by any lock-up or listing agreement, rule or regulation in connection with any listing or offering of Equity Interests in NKL to the extent required by applicable Requirements of Law or listing or stock exchange requirements; (xv) customary credit event upon merger provisions in Hedging Agreements; or (xvi) the Designated Belgian Escrow Agreement to the extent such encumbrances and restrictions apply solely to the Designated Belgian Escrow Account and the Designated Belgian Escrow Funds.

Section 6.13 Issuance of Disqualified Capital Stock

(a) Issue any Disqualified Capital Stock except (i) Joint Venture Subsidiaries and Excluded Collateral Subsidiaries may issue Disqualified Capital Stock pursuant to Section 6.06(l) and (ii) issuances of Disqualified Capital Stock under Section 6.04(i) shall be permitted.

Section 6.14 Senior Secured Net Leverage Ratio. Permit the Senior Secured Net Leverage Ratio as of the last day of the four consecutive fiscal quarter period of the Designated Company then last ended (in each case taken as one accounting period), beginning with the four fiscal quarter period ending September 30, 2016, to be greater than 3.50 to 1.00.

Section 6.15 Business.

(a) Each of Holdings, Aleris German GP Holdco, and Novelis Europe Holdings Limited (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) shall not engage in any business or activity other than (i) holding the Equity Interests of its Subsidiaries (which, in the case of Aleris German GP Holdco, shall be limited to the general partnership interests of Aleris Deutschland Vier GmbH & Co. KG, and, in the case of AV Minerals and Holdings, shall be limited to (x) in the case of AV Minerals, Holdings (to the extent that AV Minerals is not Holdings), (y) the Designated Company, and (z) solely to the extent that the transaction described in clause (c) of the definition of Permitted Reorganization Actions or any of the transactions contemplated in clause (b)(i) (or, after giving effect to either of the foregoing, clause (b)(ii)) of the definition of Permitted Aleris Foreign Subsidiary Transfers is consummated in accordance with the terms of this Agreement, no more than 12.5% of the aggregate amount of Equity Interests issued by Novelis Aluminium Holdings Unlimited and/or Aleris Germany, plus one additional share of each such Equity Interests (or, if such entity has merged, amalgamated or consolidated with and into Novelis Deutschland GmbH with Novelis Deutschland GmbH as the surviving entity pursuant to a transaction permitted under Section 6.05 after the date of such Permitted Reorganization Action or such Permitted Aleris Foreign Subsidiary Transfer, issued by Novelis Deutschland GmbH plus one additional share of such Equity Interests)), (ii) making intercompany loans to (w) in the case of Novelis Europe Holdings Limited, pursuant to a transaction permitted under Section 6.04(i), (x) the Borrower, (y) on and after the Designated Holdco Effective Date, Designated Holdco or (z) any of its Subsidiaries to the extent made pursuant to any transaction consummated in accordance with the definition of Permitted Aleris Foreign Subsidiary Transfer, (iii) borrowing intercompany loans from a Company (x) in the case of AV Minerals, pursuant to a transaction permitted under clause (c) of the definition of Permitted Reorganization Actions and (y) in the case of Novelis Europe Holdings Limited, pursuant to a transaction permitted under Section 6.01(d) or clause (h) of the definition of Permitted Reorganization Actions, (iv) other activities attributable to or ancillary to its role as a holding company for its Subsidiaries, (v) compliance with its obligations under the Loan Documents, the Revolving Loan Documents (and any Permitted Revolving Credit Refinancings thereof), the Senior Note Documents (and any Permitted Refinancings thereof), the Additional Senior Secured Indebtedness Documents, the Permitted Short Term Loan Documents, and documents relating to Permitted First Priority Refinancing Indebtedness, Permitted Second Priority Refinancing Indebtedness, Permitted Unsecured Refinancing Indebtedness, and Indebtedness under Section 6.01(l), (vi) issuing its Equity Interests pursuant to transactions that (x) do not violate any Requirement of Law or its Organizational Documents, (y) do not result in a Change of Control, and (z) are not otherwise prohibited by this Agreement and (vii) the merger of Aleris German GP Holdco with Aleris Germany; provided that (x) Aleris Germany is the surviving entity, (y) such merger does not violate any Requirement of Law and (z) such merger is not otherwise prohibited by this Agreement.

(b) The Designated Company and its Restricted Subsidiaries will not engage (directly or indirectly) in any business other than those businesses in which the Designated Company and its Restricted Subsidiaries are engaged on the Closing Date as described in the Confidential Information Memorandum (or, in the good faith judgment of the Board of Directors, which are substantially related thereto or are reasonable extensions thereof).

(c) The Designated Company will not permit any Securitization Entity that it controls to engage in any business or activity other than performing its obligations under the related

Qualified Securitization Transaction and will not permit any Securitization Entity that it controls to hold any assets other than the Securitization Assets.

Section 6.16 Limitation on Accounting Changes. Make or permit any change in accounting policies or reporting practices or tax reporting treatment, except changes that are permitted by GAAP or any Requirement of Law and disclosed to the Administrative Agent and changes described in Section 1.04.

Section 6.17 Fiscal Year. Change its fiscal year-end to a date other than March 31; provided that: ~~(1) any Restricted Subsidiary may have a different fiscal year-end to the extent required in order to comply with applicable Requirements of Law, (2) the Restricted Subsidiaries set forth on Schedule 6.17 to Amendment No. 7 may continue to end its fiscal years on December 31, and (3)~~ upon at least 15 Business Days' prior written notice to the Administrative Agent (or such shorter period as may be determined by the Administrative Agent), each of Holdings and its Subsidiaries (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) shall be permitted to change its fiscal year-end to December 31 at any time on or after the date that Hindalco changes its fiscal year-end to December 31.

Section 6.18 Margin Rules. Use the proceeds of any Loans, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

Section 6.19 No Further Negative Pledge. Enter into or suffer to exist any consensual agreement, instrument, deed or lease which prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of their respective properties or revenues, whether now owned or hereafter acquired, to secure the Secured Obligations, or which requires the grant of any security for an obligation if security is granted to secure the Secured Obligations, except the following: (1) this Agreement and the other Loan Documents; (2) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby; (3) the Revolving Credit Loan Documents, (4) ~~intentionally omitted~~; and ~~(5)~~ Standard Factoring Undertakings and Standard Securitization Undertakings in connection with transactions otherwise permitted hereunder and ~~(6)~~ (5) any prohibition or limitation that (a) exists pursuant to applicable Requirements of Law, (b) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale, (c) restricts subletting or assignment of any lease governing a leasehold interest of a Loan Party or a Subsidiary or restricts assignment, pursuant to customary provisions, of any other agreement entered into in the ordinary course of business, (d) is permitted under Section 6.02(s), (e) exists in any agreement or other instrument of a person acquired in an Investment permitted hereunder in existence at the time of such Investment (but not created in connection therewith or in contemplation thereof), which prohibition or limitation is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person so acquired, (f) is contained in any joint venture, shareholders agreement, limited liability operating agreement or other Organizational Document governing a Joint Venture or Joint Venture Subsidiary which (x) limits the ability of an owner of an interest in a Joint Venture or Joint Venture Subsidiary to encumber its ownership interest therein or (y) in the case of the Logan Joint Venture Arrangement, limits the ability of Novelis Corporation or Logan to encumber the Logan Joint Venture Licenses or the assets (other than Inventory) of Novelis Corporation that, in the ordinary course of business and consistent with past practice, are located at the Logan Location for use or processing by Logan in accordance with the terms of the Logan Joint Venture Arrangement; (g) is imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (3), (5) or (6)(e); provided that such amendments and refinancings are no more materially restrictive with respect to such prohibitions

and limitations than those prior to such amendment or refinancing; (h) consists of customary covenants in agreements entered into in the ordinary course of business restricting the pledge of such agreement, solely to the extent such negative pledge provision is not enforceable under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or similar applicable requirements of Applicable Law; or (i) consists of customary covenants or restrictions in any Joint Development Agreement restricting the pledge of any Intellectual Property developed under such Joint Development Agreement; provided that (x) each Loan Party shall use commercially reasonable efforts to negotiate any Joint Development Agreement entered into by it after the Amendment No. 7 Effective Date in a manner that avoids any such covenants or restrictions, (y) the Intellectual Property subject to any such covenants or restrictions shall not at any time, taken as a whole, constitute a material portion of the Intellectual Property owned or licensed by the Companies, taken as a whole, and (z) such Joint Development Agreement shall not prohibit or restrict the ability of any Agent to use the applicable Company's rights in the Intellectual Property subject to such Joint Development Agreement during the continuance of an Event of Default, for purposes of enabling any Agent to exercise rights and remedies under the Loan Documents, including in accordance with Section 6.1 of the U.S. Security Agreement dated as of January 13, 2017 (as if such Section applies to the Intellectual Property subject to such Joint Development Agreement *mutatis mutandis*). Notwithstanding anything in this Agreement or any other Loan Document to the contrary, enter into or suffer to exist any agreement, instrument, deed or lease that creates or purports to create a Lien upon (i) the Equity Interests owned by Aleris Germany in Aleris German GP Holdco, (ii) the Equity Interests owned by Aleris German GP Holdco in Aleris Deutschland Vier GmbH & Co. KG, except, in the case of clauses (i) and (ii), to the extent not prohibited under the Revolving Credit Loan Documents and the Secured Term Loan Documents or (iii) the assets of Novelis Corporation located at the Logan Plant that constitute Excluded Property (other than any Lien in favor of Logan or Tri-Arrows (or any successor of Tri-Arrows as Joint Venture partner in Logan) pursuant to the Logan Joint Venture Arrangement) unless a Lien (subject to the Intercreditor Agreement) has been granted in favor of the Collateral Agent to secure the Secured Obligations.

Section 6.20 Anti-Terrorism Law; Anti-Money Laundering.

(a) Directly or indirectly, (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in any of clauses (i), (ii), (iii), (iv) or (v) of the second paragraph of Section 3.22 in a manner violative of any applicable Sanctions or Anti-Terrorism Law, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Loan Parties' compliance with this Section 6.20).

(b) Cause or permit any of the funds of such Loan Party that are used to repay the Loans to be derived from any unlawful activity with the result that the making of the Loans would be in violation of any Requirement of Law.

(c) Notwithstanding the foregoing terms of this Section 6.20, no Affected Credit Party shall be entitled to the benefit of the covenants in this Section 6.20 to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws.

Section 6.21 Embargoed Persons

Cause or permit (a) any of the funds or properties of the Loan Parties that are used to repay the Loans to constitute property of, or be beneficially owned directly or indirectly by, any person subject to sanctions or trade restrictions under United States law (“**Embargoed Person**” or “**Embargoed Persons**”) that is identified on (1) the “List of Specially Designated Nationals and Blocked Persons” maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Order or Requirement of Law promulgated thereunder, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law, or the Loans made by the Lenders would be in violation of a Requirement of Law, or (2) the Executive Order, any related enabling legislation or any other similar Executive Orders or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in the Loan Parties, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law or the Loans are in violation of a Requirement of Law. Notwithstanding the foregoing terms of this Section 6.21, no Affected Credit Party shall be entitled to the benefit of the covenants in this Section 6.21 to the extent that it is unenforceable under, or result in any violation of, applicable Blocking Laws.

ARTICLE VII

GUARANTEE

Section 7.01 The Guarantee. The Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and permitted assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue after the commencement of a case under Title 11 of the United States Code or any other Debtor Relief Law or after any bankruptcy or insolvency petition is filed under Title 11 of the United States Code (or any other Debtor Relief Law) but for the provisions of the Title 11 of the United States Code (or other Debtor Relief Law) or that accrues after the commencement of a case under Title 11 of the United States Code or any other Debtor Relief Law or after any bankruptcy or insolvency petition is filed under Title 11 of the United States Code (or any other Debtor Relief Law), whether or not allowed) on the Loans made by the Lenders to, and the Notes held by each Lender of, each Co-Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document (including any Hedging Agreement entered into with a counterparty that is a Secured Party), and the performance of all obligations under any of the foregoing, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “**Guaranteed Obligations**”). In addition to the guarantee contained herein, each Guarantor that is a Foreign Subsidiary, as well as Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals), shall execute a Guarantee governed by the applicable law of such Person’s jurisdiction of organization (each such Guarantee, a “**Foreign Guarantee**”) and to the extent that the provisions of this Article VII shall duplicate or conflict with the provisions thereof, the terms of the Foreign Guarantees shall govern the obligations of such Guarantors. The Guarantors hereby jointly and severally agree that if any Co-Borrower or other Guarantor shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever as if it was the principal obligor, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. The Co-

Borrowers hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and permitted assigns, the payment and performance of all obligations of any other Loan Party under any Hedging Agreement entered into with a counterparty that is a Secured Party and agrees if any such Loan Party shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any amount due under such Hedging Agreement, the Co-Borrowers jointly and severally will promptly pay the same in cash, without any demand or notice whatsoever as if it was the principal obligor, and that in the case of any extension of time of payment or renewal of any obligation of such Loan Party, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. Without prejudice to the generality of Section 7.01 and Section 7.02, each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Loan Documents and/or any facility or amount made available under any of the Loan Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions or Dividends to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

Section 7.02 Obligations Unconditional. The obligations of the Guarantors and the Co-Borrowers under Section 7.01 shall constitute a guaranty of payment and not of collection and to the fullest extent permitted by applicable Requirements of Law (in the case of the U.S. Hold Separate Order, as such Requirements of Law are modified as it relates to Aleris Rolled Products, Inc. and/or the other U.S. Subsidiaries of Aleris pursuant to a U.S. Hold Separate Agreement), are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Co-Borrowers or any other Loan Party under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor or Co-Borrower (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

- (i) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived or the Maturity Date shall be extended with respect to all or a portion of the Guaranteed Obligations;
- (ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;
- (iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected; or

(v) the release of any other Guarantor pursuant to Section 7.09.

The Guarantors and the Co-Borrowers hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against any Co-Borrower or any other Loan Party under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors and the Co-Borrowers waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Co-Borrowers and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors and the Co-Borrowers hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against any Co-Borrower or any other Loan Party, or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the Co-Borrowers and the respective successors and assigns thereof, and shall inure to the benefit of the Lenders and the other Secured Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 7.03 Reinstatement. The obligations of the Guarantors under this ARTICLE VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Co-Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization pursuant to any Debtor Relief Law or otherwise. The Guarantors and the Co-Borrowers jointly and severally agree that they will indemnify each Secured Party on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law, other than any costs or expenses determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith or willful misconduct of such Secured Party.

Section 7.04 Subrogation; Subordination. Each Guarantor and each Co-Borrower hereby agrees that until the indefeasible and irrevocable payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against any other Co-Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness

of any Loan Party permitted pursuant to Section 6.01(d), shall be subordinated to such Loan Party's Secured Obligations in a manner reasonably satisfactory to the Administrative Agent.

Section 7.05 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Co-Borrowers under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.01) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Co-Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Co-Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 7.01.

Section 7.06 Instrument for the Payment of Money. Each Guarantor and each Co-Borrower hereby acknowledges that the guarantee in this ARTICLE VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

Section 7.07 Continuing Guarantee. The guarantee in this ARTICLE VII is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

Section 7.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any Debtor Relief Law, if the obligations of any Guarantor or any Co-Borrower under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement) that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 7.09 Release of Guarantors. If, in compliance with the terms and provisions of the Loan Documents, (a) Equity Interests of any Subsidiary Guarantor are issued, sold or transferred (including pursuant to a merger, consolidation or amalgamation) such that it ceases to be a Restricted Subsidiary (a "**Transferred Guarantor**") to a person or persons, none of which is a Loan Party or a Subsidiary, (b) a Guarantor is designated as an Unrestricted Subsidiary in accordance with the Loan Documents, (c) a Restricted Subsidiary that becomes a Loan Party after the Closing Date is subsequently designated as an Excluded Collateral Subsidiary in accordance with the definition thereof, (d) a Qualified Borrower IPO, or (e) a Qualified IPO by Designated Holdco shall occur, then, such Transferred Guarantor (in the case of clause (a)), such Unrestricted Subsidiary (in the case of clause (b)), such Restricted Subsidiary (in the case of clause (c)), Holdings and, on and after the Specified AV Minerals Joinder Date, AV Minerals (in the case of clause (d)), or, on and after the Designated Holdco Effective Date, Holdings and, on and after the Specified AV Minerals Joinder Date, AV Minerals (in the case of clause (e)), shall, upon the consummation of such issuance, sale or transfer or upon such designation as an Unrestricted Subsidiary or Excluded Collateral Subsidiary or upon the consummation of the Qualified Borrower IPO or a Qualified IPO by Designated Holdco, be released from its obligations under this Agreement (including under Section 11.03 hereof) and any other Loan Documents to which it is a party and, except with respect to Holdings (and, on and after the Specified AV Minerals Joinder Date, AV Minerals) in the case of clauses (d) and (e) above, its

obligations to pledge and grant any Collateral owned by it pursuant to any Security Document, and the Collateral Agent shall take such actions as are within its powers to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents and the Intercreditor Agreement; provided that such Guarantor is also released from its obligations, if any, under the Revolving Credit Loan Documents, the Senior Note Documents, the Additional Senior Secured Indebtedness Documents and other Material Indebtedness guaranteed by such Person on the same terms.

Section 7.10 Certain Tax Matters. Notwithstanding the provisions of Section 2.15 if a Loan Party (other than a Co-Borrower) makes a payment hereunder that is subject to withholding tax in excess of the highest withholding tax that would have been imposed on payments made by any of the Co-Borrowers with respect to whose obligation it is making a payment, the relevant Loan Party shall increase the amount of such payment such that, after deduction and payment of all such withholding taxes (including withholding taxes applicable to additional sums payable under this Section), the payee receives an amount equal to the amount it would have received if no such excess withholding tax had been imposed; provided that the Administrative Agent or Lender provides, as reasonably requested by the relevant Loan Party and as required under Sections 2.15(e) or 2.15(h), as the case may be, such forms, certificates and documentation that would be required to reduce or eliminate withholding and, with respect to non-U.S. withholding taxes, would not, in the Administrative Agent's or the relevant Lender's reasonable judgment, subject it to any material unreimbursed costs or materially prejudice its legal or commercial position; provided, however, that no payment shall be made under this Section 7.10 with respect to any withholding tax that is not an Indemnified Tax.

Section 7.11 German Guarantor.

(a) Subject to Section 7.11(b) through Section 7.11(e) below, the Secured Parties shall not enforce the guarantee obligations of a German Guarantor existing in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung; GmbH*) or limited partnership with a limited liability company as partner (*GmbH* or *GmbH & Co. KG*) under this Article VII to the extent (i) such German Guarantor guarantees obligations of one of its shareholders or of an affiliated company (*verbundenes Unternehmen*) of a shareholder within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*) (other than a Subsidiary of that German Guarantor or the German Guarantor itself), and (ii) the enforcement of such guarantee for shareholder obligations would reduce, in violation of Section 30 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung – "GmbHG"*), the net assets (assets minus liabilities minus provisions and liability reserves (*Reinvermögen*)), in each case as calculated in accordance with generally accepted accounting principles in Germany (*Grundsätze ordnungsmäßiger Buchführung*) as consistently applied by such German Guarantor in preparing its unconsolidated balance sheets (*Jahresabschluss gem. section 42 GmbHG, sections 242, 264 German Commercial Code (Handelsgesetzbuch – HGB)*) of the German Guarantor (or in the case of a *GmbH & Co. KG*, its general partner) to an amount that is insufficient to maintain its (or in the case of a *GmbH & Co. KG*, its general partner's) registered share capital (*Stammkapital*) (or would increase an existing shortage in its net assets below its registered share capital); provided that for the purpose of determining the relevant registered share capital and the net assets, as the case may be:

(i) The amount of any increase of registered share capital (*Stammkapital*) of such German Guarantor (or its general partner in the form of a *GmbH*) implemented after the Closing Date that is effected without the prior written consent of the Administrative Agent shall be deducted from the registered share capital of the German Guarantor (or its general partner in the form of a *GmbH*);

(ii) any loans provided to the German Guarantor by a direct or indirect shareholder or an affiliate thereof (other than a Subsidiary of such German Guarantor) shall be disregarded and not accounted for as a liability to the extent that such loans are subordinated pursuant to Section 39(1) no. 1 through no. 5 of the German Insolvency Code (*Insolvenzordnung*) or subordinated in any other way by law or contract;

(iii) any shareholder loans, other loans and contractual obligations and liabilities incurred by the German Guarantor in violation of the provisions of any of the Loan Documents shall be disregarded and not accounted for as liabilities;

(iv) any assets that are shown in the balance sheet with a book value that, in the opinion of the Administrative Agent, is significantly lower than their market value and that are not necessary for the business of the German Guarantor (*nicht betriebsnotwendig*) shall be accounted for with their market value; and

(v) the assets of the German Guarantor will be assessed at liquidation values (*Liquidationswerte*) if, at the time the managing directors prepare the balance sheet in accordance with paragraph (b) below and absent the demand and a positive going concern prognosis (*positive Fortbestehensprognose*) cannot be established.

(b) The limitations set out in Section 7.11(a) only apply:

(i) if and to the extent that the managing directors of the German Guarantor (or in the case of a GmbH Co. KG, its general partner) have confirmed in writing to the Administrative Agent within ten (10) Business Days of a demand for payment under this Article VII the amount of the obligations under this Article VII which cannot be paid without causing the net assets of such German Guarantor (or in the case of a GmbH Co. KG, its general partner) to fall below its registered share capital, or increase an existing shortage in net assets below its registered share capital (taking into account the adjustments set out above) and such confirmation is supported by a current balance sheet and other evidence satisfactory to the Administrative Agent and neither the Administrative Agent nor any Lender raises any objections against that confirmation within five Business Days after its receipt; or

(ii) if, within twenty Business Days after an objection under clause (i) has been raised by the Administrative Agent or a Lender, the Administrative Agent receives a written audit report (“**Auditor’s Determination**”) prepared at the expense of the relevant German Guarantor by a firm of auditors of international standing and reputation that is appointed by the German Guarantor and reasonably acceptable to the Administrative Agent, to the extent such report identifies the amount by which the net assets of that German Guarantor (or in the case of a GmbH & Co. KG, its general partner in the form of a GmbH) are necessary to maintain its registered share capital as at the date of the demand under this Article VII (taking into account the adjustments set out above). The Auditor’s Determination shall be prepared in accordance with generally accepted accounting principles applicable in Germany (*Grundsätze ordnungsgemäßer Buchführung*) as consistently applied by the German

Guarantor in the preparation of its most recent annual balance sheet. The Auditor's Determination shall be binding for all Parties except for manifest error.

(c) In any event, the Secured Parties shall be entitled to enforce the guarantee up to those amounts that are undisputed between them and the relevant German Guarantor or determined in accordance with Section 7.11(a) and Section 7.11(b). In respect of the exceeding amounts, the Secured Parties shall be entitled to further pursue their claims (if any) and the German Guarantor shall be entitled to provide evidence that the excess amounts are necessary to maintain its registered share capital (calculated as at the date of demand under this Article VII and taking into account the adjustments set out above). The Secured Parties are entitled to pursue those parts of the guarantee obligations of the German Guarantor that are not enforced by operation of Section 7.11(a) above at any subsequent point in time. This Section 7.11 shall apply again as of the time such additional demands are made.

(d) Section 7.11(a) shall not apply as to the amount of Loans borrowed under this Agreement and passed on (whether by way of shareholder loan or equity contribution) to the respective German Guarantor or any of its Subsidiaries as long as the respective shareholder loan is outstanding or the respective equity contribution has not been dissolved or otherwise repaid.

(e) Should it become legally permissible for managing directors of a German Guarantor to enter into guarantees in support of obligations of their shareholders without limitations, the limitations set forth in Section 7.11(a) shall no longer apply. Should any such guarantees become subject to legal restrictions that are less stringent than the limitations set forth in Section 7.11(a) above, such less stringent limitations shall apply. Otherwise, Section 7.11(a) shall remain unaffected by changes in applicable law.

(f) The limitations provided for in paragraph (a) above shall not apply where (i) the relevant German Guarantor has a fully valuable (*vollwertig*) recourse claim (*Gegenleistungs- oder Rückgewähranspruch*) vis-à-vis the relevant shareholder or (ii) a domination agreement (*Beherrschungsvertrag*) or a profit and loss pooling agreement (*Ergebnisabführungsvertrag*) is or will be in existence with the relevant German Guarantor (or the relevant general partner), unless section 30 GmbHG is violated despite of the existence of such agreement.

Section 7.12 Swiss Guarantors. If and to the extent that (i) the obligations under this ARTICLE VII of any Swiss Guarantor are for the exclusive benefit of any of such Swiss Guarantor's Affiliates (other than such Swiss Guarantor's direct or indirect Subsidiaries) and (ii) complying with the obligations under this ARTICLE VII would constitute a repayment of capital (*restitution des apports*) or the payment of a (constructive) dividend (*distribution de dividende*), the following shall apply:

(a) The aggregate obligations under this ARTICLE VII of any Swiss Guarantor shall be limited to the maximum amount of such Swiss Guarantor's profits and reserves available for distribution, in each case in accordance with, without limitation, articles 671 para.1 to 3 and 675 para.2 of the Swiss Code of Obligations (the "**Available Amount**") at the time any Swiss Guarantor makes a payment under this ARTICLE VII (provided such limitation is still a legal requirement under Swiss law at that time).

(b) Immediately after having been requested to make a payment under this ARTICLE VII (the "**Guarantee Payment**"), each Swiss Guarantor shall (i) provide the Administrative Agent, within thirty (30) Business Days from being requested to make the Guarantee Payment, with (1) an interim audited balance sheet prepared by the statutory auditors of the applicable Swiss Guarantor, (2) the determination of the Available Amount based on such interim audited balance sheet as computed by the statutory auditors, and (3) a confirmation from the statutory

auditors that the Available Amount is the maximum amount which can be paid by the Swiss Guarantor under this ARTICLE VII without breaching the provisions of Swiss corporate law, which are aimed at protecting the share capital and legal reserves, and (ii) upon receipt of the confirmation referred to in the preceding sentence under (3) and after having taken all actions required pursuant to paragraph (d) below, make such Guarantee Payment in full (less, if required, any Swiss Withholding Tax).

(c) If so required under Swiss law (including double tax treaties to which Switzerland is a party) at the time it is required to make a payment under this ARTICLE VII or the Security Documents, the applicable Swiss Guarantor (1) may deduct the Swiss Withholding Tax at the rate of 35% (or such other rate as may be in force at such time) from any payment under this ARTICLE VII or the Security Documents, (2) may pay the Swiss Withholding Tax to the Swiss Federal Tax Administration, and (3) shall notify and provide evidence to the Administrative Agent that the Swiss Withholding Tax has been paid to the Swiss Federal Tax Administration. To the extent the Guarantee Payment due is less than the Available Amount, the applicable Swiss Guarantor shall be required to make a gross-up, indemnify or otherwise hold harmless the Secured Parties for the deduction of the Swiss Withholding Tax, it being understood that at no time shall the Guarantee Payment (including any gross-up or indemnification payment pursuant to this paragraph (c) and including any Swiss Withholding Tax levied thereon) exceed the Available Amount. The applicable Swiss Guarantor shall use its best efforts to ensure that any person which is, as a result of a payment under this ARTICLE VII, entitled to a full or partial refund of the Swiss Withholding Tax, shall as soon as possible after the deduction of the Swiss Withholding Tax (i) request a refund of the Swiss Withholding Tax under any applicable law (including double tax treaties) and (ii) pay to the Administrative Agent for distribution to the applicable Secured Parties upon receipt any amount so refunded. The Secured Obligations will only be considered as discharged to the extent of the effective payment received by the Secured Parties under this ARTICLE VII. This subsection (c) is without prejudice to the gross-up or indemnification obligations of any Guarantor other than the Swiss Guarantors.

(d) The Swiss Guarantors shall use reasonable efforts to take and cause to be taken all and any other action, including the passing of any shareholders' resolutions to approve any Guarantee Payment under this ARTICLE VII or the Security Documents, which may be required as a matter of Swiss mandatory law or standard business practice as existing at the time it is required to make a Guarantee Payment under this ARTICLE VII or the Security Documents in order to allow for a prompt payment of the Guarantee Payment or Available Amount, as applicable.

Section 7.13 Irish Guarantor. This Guarantee does not apply to any liability to the extent that it would result in this Guarantee constituting unlawful financial assistance within the meaning of, in respect of any Irish Guarantor, Section 82 of the Irish Companies Act 2014 of Ireland.

Section 7.14 Brazilian Guarantor. The Brazilian Guarantor waives and shall not exercise any and all rights and privileges granted to guarantors which might otherwise be deemed applicable, including but not limited to the rights and privileges referred to in Articles 827, 834, 835, 836, 837, 838 and 839 of the Brazilian Civil Code and the provisions of Article 794 of the Brazilian Civil Procedure Code.

Section 7.15 French Guarantor.

(a) The obligations and liabilities of a French Guarantor under the Loan Documents and in particular under Article VII (*Guarantee*) of this Agreement shall not include any obligation or liability which if incurred would constitute the provision of financial assistance within the meaning of article L. 225-216 of the French *Code de commerce* and/or would constitute a misuse of corporate assets within the meaning of article L. 241-3 or L. 242-6 of the

French *Code de commerce* or any other laws or regulations having the same effect, as interpreted by French courts.

(b) The obligations and liabilities of a French Guarantor under Article VII (*Guarantee*) of this Agreement for the obligations under the Loan Documents of any other Guarantor which is not a French Subsidiary of such French Guarantor, shall be limited at any time to an amount equal to the aggregate of all amounts borrowed under this Agreement by such other Guarantor as a Co-Borrower to the extent directly or indirectly on-lent to the French Guarantor under inter-company loan agreements and outstanding at the date a payment is to be made by such French Guarantor under Article VII (*Guarantee*) of this Agreement, it being specified that any payment made by a French Guarantor under Article VII (*Guarantee*) of the Credit Agreement in respect of the obligations of such Guarantor as a Co-Borrower shall reduce *pro tanto* the outstanding amount of the inter-company loans due by the French Guarantor under the inter-company loan arrangements referred to above.

(c) The obligations and liabilities of a French Guarantor under Article VII (*Guarantee*) of this Agreement for the obligations under the Loan Documents of any Guarantor which is its Subsidiary shall not be limited and shall therefore cover all amounts due by such Guarantor as a Co-Borrower and/or as Guarantor, as applicable. However, where such Subsidiary is not incorporated in France, the amounts payable by the French Guarantor under this paragraph (c) in respect of obligations of this Subsidiary as a Co-Borrower and/or Guarantor, shall be limited as set out in paragraph (b) above.

Section 7.16 Belgian Guarantor. No Belgian Guarantor shall be liable for the obligations owed to the Secured Parties by any other Loan Party under any Loan Document, to the extent that such liability would result in such guarantee constituting unlawful financial assistance within the meaning of Article 329 or 629 of the Belgian Companies Code (or any equivalent and applicable provisions in any relevant jurisdiction).

Section 7.17 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.17, or otherwise under this Article VII, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination of all Commitments and the repayment in full of all outstanding Obligations. Each Qualified ECP Guarantor intends that this Section 7.17 constitute, and this Section 7.17 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18) (A)(v)(II) of the Commodity Exchange Act.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01 Events of Default. Upon the occurrence and during the continuance of the following events (“**Events of Default**”):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof (including a Term Loan Repayment Date, an Aleris Incremental Term Loan Repayment Date or a Tranche A-1 Term

Loan Repayment Date) or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment, when and as the same shall become due and payable, of (i) any interest on any Loan and, if such default is caused by a technical or administrative delay, such default shall continue unremedied for a period of five (5) Business Days, or (ii) any Fee or any other amount (other than an amount referred to in paragraph (a) or (b)(i) above) due under any Loan Document and such default shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings hereunder, or which is contained in any certificate furnished by or on behalf of a Loan Party pursuant to this Agreement or any other Loan Document, shall prove to have been false or misleading (in full or in part) in any material respect when so made or deemed made;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in (x) Section 5.02(a), Section 5.03(a), Section 5.08, Section 5.15, Section 5.16, or ARTICLE VI or (y) Section 5.04(a) or Section 5.04(b) (provided that in the case of defaults under Sections 5.04(a) or (b) which do not impair in any material respect the insurance coverage maintained on the Collateral or the Companies' assets taken as a whole, then such default will not constitute an Event of Default unless such default has continued unremedied for a period of three (3) Business Days);

(e) (i) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02 (other than Section 5.02(a)), and such default shall continue unremedied or shall not be waived for a period of five (5) Business Days after written notice thereof from the Administrative Agent or any Lender to the Designated Company, or (ii) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (a), (b), (d) or (e)(i) immediately above) and such default shall continue unremedied or shall not be waived for a period of thirty (30) days after written notice thereof from the Administrative Agent or any Lender to the Designated Company;

(f) any Company shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer purchase by the obligor; provided that, other than in the case of the Revolving Credit Agreement, it shall not constitute an Event of Default pursuant to this paragraph (f) unless the aggregate Dollar Equivalent amount of all such Indebtedness referred to in clauses (i) and (ii) exceeds \$100,000,000 at any one time (provided that, in the case of Hedging Obligations, the amount counted for this purpose shall be the net amount payable by all Companies if such Hedging Obligations were terminated at such time); provided, further that this clause (f)(ii) shall not apply to (x) a failure to comply with a financial maintenance covenant under the Revolving Credit Agreement in the form of an asset based loan facility, (y) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid or discharged to the extent required under the terms governing such Indebtedness or (z) Indebtedness that becomes due as a result of a notice of voluntary refinancing, exchange, or

conversion thereof that is permitted thereunder, so long as such refinancing, exchange or conversion is consummated, or such notice duly withdrawn, in accordance with the terms of such Indebtedness, or (iii) fail to observe or perform any financial maintenance covenant under a Revolving Credit Agreement which is an asset based loan facility and such failure results in the Indebtedness under such Revolving Credit Agreement becoming due prior to its stated maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Loan Party or Material Subsidiary, or of a substantial part of the property of any Loan Party or Material Subsidiary, under Title 11 of the U.S. Code, as now constituted or hereafter amended, or any other federal, state, provincial or foreign bankruptcy, insolvency, receivership, reorganization or other Debtor Relief Law, including any proceeding under applicable corporate law; (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; or (iii) the winding-up, liquidation or examination of any Loan Party or Material Subsidiary; and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party or Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or other Debtor Relief Law; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its insolvency or inability or fail generally to pay its debts as they become due; (vii) take any action for the purpose of effecting any of the foregoing; (viii) wind up or liquidate (except in accordance with Section 6.05) or put into examination, or (ix) take any step with a view to a moratorium or a composition or similar arrangement with any creditors of any Loan Party or Material Subsidiary, or a moratorium is declared or instituted in respect of the indebtedness of any Loan Party or Material Subsidiary;

(i) one or more judgments, orders or decrees for the payment of money in an aggregate Dollar Equivalent amount in excess of \$100,000,000, to the extent not covered by insurance or supported by a letter of credit or appeal bonds posted in cash, shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such judgment;

(j) one or more ERISA Events or noncompliance with respect to Foreign Plans or Compensation Plans shall have occurred that, when taken together with all other such ERISA Events and noncompliance with respect to Foreign Plans or Compensation Plans that have occurred, could reasonably be expected to result in liability of any Company and its ERISA Affiliates that could reasonably be expected to result in a Material Adverse Effect;

(k) any security interest and Lien purported to be created by any Security Document shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, a valid, perfected First Priority security interest in and Lien on all of the Collateral thereunder (except as otherwise expressly provided in such Security Document)

in favor of the Collateral Agent, or shall be asserted by the Designated Company or any other Loan Party not to be a valid, perfected, First Priority (except as otherwise expressly provided in this Agreement, the Intercreditor Agreement or such Security Document) security interest in or Lien on the Collateral covered thereby;

(l) any Loan Document or any material provision thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by any Loan Party or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Loan Party shall repudiate or deny any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control;

(n) the Intercreditor Agreement or any material provision thereof shall cease to be in full force or effect other than (i) as expressly permitted hereunder or thereunder, (ii) by a consensual termination or modification thereof agreed to by the Agent party thereto, the Revolving Credit Agents party thereto and all other creditors of the Designated Company and its Restricted Subsidiaries (or any trustee, agent or representative acting on their behalf) that is a party thereto, or (iii) as a result of satisfaction in full of the obligations under the Revolving Credit Loan Documents, the Additional Senior Secured Indebtedness Documents (if any), the Junior Secured Indebtedness (if any) and any other Material Indebtedness subject to the terms of the Intercreditor Agreement; or

(o) any Company shall be prohibited or otherwise restrained from conducting the business theretofore conducted by it in any manner that has or could reasonably be expected to result in a Material Adverse Effect by virtue of any determination, ruling, decision, decree or order of any court or Governmental Authority of competent jurisdiction;

then, and in every such event (other than an event with respect to any Loan Party described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Designated Company, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event, with respect to any Loan Party described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees, costs, charges and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Section 8.02 Rescission. If at any time after termination of the Commitments or acceleration of the maturity of the Loans, the Loan Parties shall pay all arrears of interest and all payments on account of principal of the Loans owing by them that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant Section 11.02, then upon the written consent of the Required Lenders and written notice to the Designated Company, the termination of the Commitments or the

acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit any Loan Party and do not give any Loan Party the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

Section 8.03 Application of Proceeds. Subject to the terms of the Intercreditor Agreement, the proceeds received by any of the Agents in respect of any sale of, collection from or other realization upon all or any part of the Collateral, whether pursuant to the exercise by the Collateral Agent of its remedies or otherwise (including any payments received with respect to adequate protection payments or other distributions relating to the Obligations during the pendency of any reorganization or proceeding under any Debtor Relief Law) after an Event of Default has occurred and is continuing or after the acceleration of the Obligations, shall be applied, in full or in part, together with any other sums then held by the Agents or any Receiver pursuant to this Agreement, promptly by the Agents or any Receiver as follows:

(a) *First*, to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Agents or any Receiver and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Agents or any Receiver in connection therewith, and all amounts for which the Agents or any Receiver are entitled to indemnification or reimbursement pursuant to the provisions of any Loan Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including any compensation payable to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third*, without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, *pro rata*, of interest and other amounts constituting Obligations which are then due and owing (other than principal) and any fees, premiums and scheduled periodic payments due under Hedging Agreements constituting Secured Obligations and any interest accrued thereon, in each case equally and ratably in accordance with the respective amounts thereof then due and owing with respect to such Obligations;

(d) *Fourth*, to the indefeasible payment in full in cash, *pro rata*, of the principal amount of the Obligations and any premium thereon and any breakage, termination or other payments under Hedging Agreements constituting Secured Obligations and any interest accrued thereon and any remaining Secured Obligations, in each case equally and ratably in accordance with the respective amounts thereof then due and owing; and

(e) *Fifth*, the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (d) of this Section 8.03, the Loan Parties shall remain liable, jointly and severally, for any deficiency.

Notwithstanding the foregoing, Obligations arising under Hedging Agreements constituting Secured Obligations shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Secured Hedge Provider. Each Secured Hedge Provider not a party to the Credit Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent and the Collateral Agent pursuant to the terms of Article X hereof for itself and its Affiliates as if a “Lender” party hereto.

Section 8.04 Designated Company’s Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 8.01, in the event the Designated Company fails to comply with the Financial Performance Covenant with respect to a period of four consecutive fiscal quarters, then at any time after the end of the last fiscal quarter of such period of four consecutive fiscal quarters until the expiration of the tenth (10th) day after the date on which financial statements are required to be delivered with respect to such fiscal quarter hereunder, any Specified Holder may make a Specified Equity Contribution to Holdings, and Holdings shall immediately make a cash contribution to the common equity of the Designated Company and/or purchase Equity Interests of the Designated Company (other than Disqualified Capital Stock), in the amount of such Specified Equity Contribution. The Designated Company may apply the amount of the Net Cash Proceeds thereof received by it to increase Consolidated EBITDA with respect to such applicable quarter; provided that such Net Cash Proceeds (i) are actually received by the Designated Company (including through capital contribution of such Net Cash Proceeds by Holdings to the Designated Company) no later than ten (10) days after the date on which financial statements are required to be delivered with respect to such fiscal quarter hereunder and (ii) do not exceed the aggregate amount necessary for purposes of complying (by addition to Consolidated EBITDA) with the Financial Performance Covenant for such period. The parties hereby acknowledge and agree that notwithstanding anything to the contrary contained elsewhere in this Agreement, this Section 8.04(a) (and any Specified Equity Contribution or the proceeds thereof) may not be relied on for purposes of calculating any financial ratios (other than as applicable to the Financial Performance Covenant for purposes of increasing Consolidated EBITDA as provided herein) or any available basket or thresholds under this Agreement and shall not result in any adjustment to any amounts or calculations other than the amount of the Consolidated EBITDA referred to in the immediately preceding sentence.

(b) The parties hereto agree that (i) in each period of four consecutive fiscal quarters, there shall be at least two (2) fiscal quarters in which no Specified Equity Contribution is made, (ii) during the term of this Agreement, no more than four Specified Equity Contributions will be made, and (iii) the cash contributed or received pursuant to such Specified Equity Contribution (A) shall be disregarded for any purpose other than increasing Consolidated EBITDA solely for the purposes of measuring the Financial Performance Covenant (and, for the avoidance of doubt, such cash shall not constitute “cash and Cash Equivalents” or Unrestricted Cash for purposes of the definition of “Consolidated Total Net Debt” and shall not increase Consolidated EBITDA for the purpose of determining compliance with the Financial Performance Covenant on a Pro Forma Basis in determining whether another transaction will be permitted) and (B) for purposes of calculating the Total Net Leverage Ratio, the Consolidated Interest Coverage Ratio, the Senior Secured Net Leverage Ratio, the Secured Net Leverage Ratio and the Financial Performance Covenant, shall not be deemed to reduce any Indebtedness or other obligations of the Loan Parties that would otherwise be included in the definition of “Consolidated Total Net Debt” (except, with respect to periods after the fiscal quarter with respect to which such Equity Issuance is made, to the extent such Specified Equity Contribution is applied to repay Indebtedness).

ARTICLE IX

[INTENTIONALLY OMITTED]

ARTICLE X

THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

Section 10.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints SCB to act on its behalf as the Administrative Agent and the Collateral Agent hereunder and under the other Loan Documents and authorizes each Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Pursuant to article 1161 of the French *code civil*, the Lenders hereby expressly authorize the French Collateral Agent to act on the behalf and for the account of the Lenders and in its own name and for its own account as creditor under the Parallel Debt provision set forth in Section 11.24, in connection with the performance of the Loan Documents. The provisions of this Article are solely for the benefit of the Agents and the Lenders and neither the Designated Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

Section 10.02 Rights as a Lender. Each person serving an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Designated Company or other Loan Party, or any Subsidiary or other Affiliate thereof, as if such person were not an Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.03 Exculpatory Provisions.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that in each case such Agent is expressly required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that such Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Requirements of Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Designated Company or other Loan Party or any of its Affiliates that is communicated to or

obtained by the person serving as such Agent or any of its Affiliates in any capacity.

(b) Notwithstanding anything to the contrary in any Loan Document, no Agent shall be liable for any action taken or not taken by it (x) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.01 and 11.02) or (y) in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of, or be required to take any action in connection with, any Default unless and until notice describing such Default is given to such Agent by the Designated Company or a Lender.

(c) No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in ARTICLE IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent. Without limiting the generality of the foregoing, the use of the term “agent” in this Agreement with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

(d) No Agent shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Agents shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

(e) Notwithstanding anything to the contrary in any Loan Document, without limiting any Agent’s rights hereunder to exercise discretion in taking any action in connection with the Loan Documents or any transaction permitted hereunder or thereunder (it being understood and agreed by the Lenders that such Agent may elect to act promptly and without seeking express approval from any Lender prior to taking such action), any Agent may:

(i) require the express written approval of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents) prior to taking any action in connection with the Loan Documents or any transaction permitted hereunder or thereunder, including, without limitation, the Permitted Reorganization; or

(ii) upon at least two (2) Business Days’ prior written notice to the Lenders (such period, the “**Specified Notice Period**”), require the express written approval of the Representative Lenders prior to taking any action in connection with the Loan Documents or any transaction permitted hereunder or thereunder; provided that this clause (ii) shall not apply with respect to any action in connection with the Permitted

Reorganization or that would otherwise require the consent of such other number or percentage of the Lenders as expressly provided for in Section 11.02.

On and after the date that the requisite written approval, if any, is provided to such Agent by such Lenders in accordance with the immediately preceding sentence, such Agent shall be authorized to take such action for all purposes under the Loan Documents without the consent of any other Lender. For purposes of this clause (e), “**Representative Lenders**” shall mean, with respect to any action under clause (ii) above, Lenders holding more than 50% of the sum of all Loans outstanding and unused Commitments (if any) of all Lenders that have provided written notice of their approval or disapproval of such action or omission to take an action within the Specified Notice Period.

Section 10.04 Reliance by the Administrative Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon or acting or failing to act upon (including in connection with such Agent’s execution, delivery or filing of any Loan Document or other agreement, document, certificate or filing in connection therewith), (i) any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) or (ii) any electronic signature purportedly given by or on behalf of any Loan party or any Secured Party, in each case, believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper person. In determining whether the conditions to taking any action under or in connection with any Loan Document are satisfied, each Agent shall be entitled to rely upon any certificates delivered to such Agent by any Loan Party. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. The Agents are further authorized to rely upon and to comply with any written, oral or telephonic statements made or purported to be made by any Loan Party. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for the Designated Company or other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent, including a sub-agent which is a non-U.S. affiliate of such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Section 10.06 Resignation of Agent.

(a) Each Agent may at any time give notice of its resignation to the Lenders and the Designated Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Designated Company, to appoint a successor, which (i) shall be a bank with an office in the United States or England and Wales, or an Affiliate of any such bank with an office in the United States or England and Wales and (ii) for the Administrative Agent, shall be a commercial bank or other financial institution having assets in

excess of \$1,000,000,000. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above, provided that if the Agent shall notify the Designated Company and the Lenders that no qualifying person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through an Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Co-Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Co-Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this ARTICLE X and Section 11.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent. The Escrow Agent shall be deemed to have automatically resigned upon the resignation of the Administrative Agent.

(b) The Administrative Agent shall resign in accordance with paragraph (a) above if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Administrative Agent under the Loan Documents, either:

(i) the Administrative Agent fails to respond to a request under Section 2.15(f) (FATCA Information) and a Lender reasonably believes that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Administrative Agent pursuant to Section 2.15(f) (FATCA Information) indicates that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Administrative Agent notifies the Designated Company and the Lenders that the Administrative Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Administrative Agent were a FATCA Exempt Party, and that Lender, by notice to the Administrative Agent, requires it to resign.

Section 10.07 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon any Agent, the Escrow Agent, any syndication agent, documentation agent, arranger or bookrunner listed on the cover page hereto or acting in such capacity in connection with any amendment or in connection with any Incremental Term Loans made hereunder, or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent,

the Escrow Agent, any syndication agent, documentation agent, arranger or bookrunner listed on the cover page hereto or acting in such capacity in connection with any amendment or in connection with any Incremental Term Loans made hereunder, or any other Lender, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.08 No Other Duties, etc. Notwithstanding anything to the contrary contained herein, the Mandated Lead Arrangers listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, Collateral Agent, Escrow Agent or as a Lender hereunder.

Section 10.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agents (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether any Agent shall have made any demand on any Co-Borrower or any Guarantor) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Agents and the other Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Secured Parties and the Agents hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Secured Parties, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Agents hereunder. Nothing contained herein shall be deemed to authorize any Agent to authorize or consent to or accept or adopt on behalf of any Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Secured Obligations or the rights of any Secured Party to authorize any Agent to vote in respect of the claim of any Secured Party in any such proceeding.

Section 10.10 Concerning the Collateral and the Related Loan Documents. Each Lender authorizes and directs the Agents to enter into this Agreement and the other Loan Documents, including the Intercreditor Agreement and to perform their obligations thereunder. Each Lender agrees that any action taken by the Agents or Required Lenders in accordance with the terms of this Agreement or the other Loan Documents, including the Intercreditor Agreement, and the exercise by the Agents or Required Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

Section 10.11 Release. Each Lender and each Loan Party hereby releases each Agent acting on its behalf pursuant to the terms of this Agreement or any other Loan Document from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) (restriction on self-dealing).

Section 10.12 Acknowledgment of Security Trust Deed. Each Secured Party acknowledges the terms of the Security Trust Deed and, in particular, the terms, basis and limitation on which the Collateral Agent holds the “Transaction Security” (as defined therein) and specifically agrees and accepts (i) such terms, basis and limitation; (ii) that the Collateral Agent shall, as trustee, have only those duties, obligations and responsibilities expressly specified in the Security Trust Deed; (iii) the limitation and exclusion of the Collateral Agent’s liability as set out therein; and (iv) all other provisions of the Security Trust Deed as if it were a party thereto.

Section 10.13 Secured Hedging Agreements. Except as otherwise expressly set forth herein or in any Guarantee or any Security Document, no Secured Hedge Provider that obtains the benefits of Section 8.03, any Guarantee or any Collateral by virtue of the provisions hereof or of any Guarantee or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article X to the contrary, no Agent shall be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Hedging Obligations owing to Secured Hedge Providers unless such Agent has received written notice of such Obligations, together with such supporting documentation as such Agent may request, from the applicable Secured Hedge Provider.

Section 10.14 Erroneous Payments.

(a) If the Administrative Agent (x) notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (any such Lender, Secured Party or other recipient (and each of their respective successors and assigns), a “**Payment Recipient**”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 10.14 and held in trust for the benefit of the Administrative Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Interbank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Secured Party or any Person who has received funds on behalf of a Lender or Secured Party (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.14(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.14(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.14(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an **"Erroneous Payment Return Deficiency"**), upon the Administrative Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments, if any) of the relevant Class with respect to which such Erroneous Payment was made (the **"Erroneous Payment Impacted Class"**) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the **"Erroneous Payment**

Deficiency Assignment”) (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the applicable Co-Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an approved electronic platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the applicable Co-Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Co-Borrowers shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(i) Subject to Section 11.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Co-Borrowers or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Secured Party, to the rights and interests of such Lender or Secured Party, as the case may be) under the Loan Documents with respect to such amount (the “**Erroneous Payment Subrogation Rights**”) (provided that the Secured Obligations in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Secured Obligations in respect of Loans that have been assigned to the Administrative Agent under an

Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Secured Obligations owed by any Co-Borrower or any other Loan Party; provided that this Section 10.14 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Secured Obligations of any Borrower relative to the amount (and/or timing for payment) of the Secured Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from a Co-Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 10.14 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Secured Obligations (or any portion thereof).

ARTICLE XI

MISCELLANEOUS

Section 11.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(i) if to any Loan Party, to the Borrower at:

Novelis Inc.
~~Two Alliance Center~~
~~3560 Lenox~~
One Phipps Plaza
3550 Peachtree Road, Suite ~~2000~~
1100
Atlanta, GA 30326
Attention: Randal P. Miller
Telecopier No.: 404-760-0124
Email: randy.miller@novelis.adityabirla.com

with a copy to:

Novelis Inc.
~~Two Alliance Center~~One Phipps Plaza
~~3560 Lenox~~3550 Peachtree Road, Suite ~~2000~~
1100

Atlanta, GA 30326
Attention: Chirag P. Shah
Telecopier No.: 404-760-0137
Email: chirag.shah@novelis.adityabirla.com

and

Torys LLP
1114 Avenue of the Americas, 23rd Floor
New York, New York 10036
Attention: Jonathan B. Wiener
Telecopier No.: 212-682-0200
Email: jwiener@torys.com

(ii) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Designated Company); and

(iii) if to the Administrative Agent, the Collateral Agent, or the Escrow Agent, to it at:

Standard Chartered Bank
5th Floor 1 Basinghall Avenue
London, England, EC2V 5DD
Attention: Asset Servicing - Manager
Fax: +44207 885 9728
Email: loansagencyuk@sc.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
155 N. Wacker Drive
Chicago IL, 60606
Attention: David M. Wagener
Telecopier No.: (312) 827-9462
Phone No.: (312) 407-0870
Email: david.wagener@skadden.com

Notices and other communication sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may (subject to Section 11.01(d)) be delivered or furnished by electronic communication (including e-mail, FpML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply

to notices to any Lender pursuant to ARTICLE II if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or the Designated Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including as set forth in Section 11.01(d)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Any party hereto (other than a Lender) may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto. Each Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Designated Company and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(d) Posting. Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at loansagencyuk@sc.com or at such other e-mail address(es) provided to the Designated Company from time to time or in such other form, including hard copy delivery thereof, as the Administrative Agent shall reasonably require. Nothing in this Section 11.01(d) shall prejudice the right of the Agents, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document.

To the extent consented to by the Administrative Agent from time to time, Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents; provided that the Designated Company shall also deliver to the Administrative Agent an executed original of each Compliance Certificate and an executed copy (which may be by pdf or similar electronic transmission) of

each notice or request of the type described in clauses (i) through (iv) of paragraph (d) above required to be delivered hereunder.

Each Loan Party further agrees that Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks, Syndtrak, ClearPar or a substantially similar electronic transmission system (the “**Platform**”). THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS (AS DEFINED BELOW) OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Designated Company, any other Loan Party, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Designated Company’s, any Loan Party’s or the Administrative Agent’s transmission of Borrower Materials or notices through the Platform, any other electronic messaging service, or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Designated Company, any other Loan Party, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

Each Loan Party further agrees and acknowledges that certain of the Lenders (each, a “**Public Lender**”) may have personnel who do not wish to receive material non-public information with respect to the Designated Company or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such persons’ securities. The Designated Company and each other Loan Party hereby agree that it will use commercially reasonable efforts to identify that portion of the materials and/or information provided by or on behalf of the Designated Company hereunder (the “**Borrower Materials**”) that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials hereunder “PUBLIC,” the Loan Parties shall be deemed to have authorized the Mandated Lead Arrangers, the Agents and the Lenders to treat such materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Designated Company, the other Loan Parties or their respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such materials constitute Information, they shall be treated as set forth in Section 11.12); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (z) the Agents and the Mandated Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information”. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the “Public Side Information” portion

of the Platform and that may contain material non-public information with respect to the Designated Company, the other Loan Parties or their respective securities for purposes of United States Federal or state securities laws.

(e) Reliance by the Administrative Agent, the Collateral Agent and Lenders. The Administrative Agent, the Collateral Agent and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Designated Company even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Co-Borrowers shall indemnify the Administrative Agent, the Collateral Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such person on each notice purportedly given by or on behalf of the Designated Company. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 11.02 Waivers; Cumulative Remedies; Amendment.

(a) Waivers; Cumulative Remedies. No failure or delay by the Administrative Agent, the Collateral Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by this Section 11.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether any Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Required Consents. Subject to the terms of the Intercreditor Agreement, and except as otherwise provided in this Agreement, including Sections 1.10, 2.06(g), 2.17, and ~~to~~ Section 11.02(c) and (d), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Designated Company and the Required Lenders (or by the Administrative Agent with the written consent of the Required Lenders) or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent (or, in the case of any applicable Security Document, the Collateral Agent) and the Loan Party or Loan Parties that are party thereto, in each case with the written consent of the Required Lenders; provided that no such agreement shall be effective if the effect thereof would:

(i) increase the Commitment of any Lender without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default shall constitute an increase in the Commitment of any Lender);

(ii) reduce the principal amount of any Loan or reduce the rate of interest thereon (other than interest pursuant to Section 2.06(c)),

or reduce any Fees payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender directly affected thereby; provided, that no amendment, modification, termination, waiver or consent entered into pursuant to Section 2.06(g) or Section 2.17 shall constitute a reduction of the amount of any interest or fee for purposes of this clause (ii);

(iii) (A) change the scheduled final maturity of any Loan, or any scheduled date of payment of or the installment otherwise due on the principal amount of any Loan under Section 2.09, (B) postpone the date for payment of any interest or fees payable hereunder, (C) change the amount of, waive or excuse any such payment (other than waiver of any increase in the interest rate pursuant to Section 2.06(c)), or (D) postpone the scheduled date of expiration of any Commitment without the written consent of each Lender directly affected thereby; provided, that no amendment, modification, termination, waiver or consent entered into pursuant to Section 2.06(g) or Section 2.17 shall constitute a postponement of the date for payment of any interest or fees payable hereunder, or a change of the amount of, waiver or excuse of any such payment, in each case for purposes of this clause (iii);

(iv) increase the maximum duration of Interest Periods hereunder, without the written consent of each Lender directly affected thereby;

(v) permit the assignment or delegation by any Co-Borrower of any of its rights or obligations under any Loan Document, without the written consent of each Lender (provided that neither the Permitted Holdings Amalgamation nor the Permitted Reorganization shall constitute an assignment or delegation by the Borrower of its rights or obligations under the Loan Documents);

(vi) except pursuant to the Intercreditor Agreement, release Holdings (or, on and after the Specified AV Minerals Joinder Date, AV Minerals) or all or substantially all of the Subsidiary Guarantors from their Guarantees (except as expressly provided in this Agreement or as otherwise expressly provided by any such Guarantee), or limit their liability in respect of such Guarantees, without the written consent of each Lender;

(vii) except pursuant to the Intercreditor Agreement or the express terms hereof, release all or a substantial portion of the Collateral from the Liens of the Security Documents or alter the relative priorities of a material portion of the Secured Obligations entitled to the Liens of the Security Documents, in each case without the written consent of each Lender (it being understood that additional Indebtedness consented to by the Required Lenders and additional Loans pursuant to Section 2.23 or Section 2.24 and Additional Senior Secured Indebtedness or Permitted First Priority Refinancing Debt may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents);

(viii) change Section 2.14(b), (c) or (d) in a manner that would alter the *pro rata* sharing of payments or setoffs required thereby or any other provision in a manner that would alter the *pro rata* allocation among the Lenders of Loan disbursements, including the requirements of Section 2.02(a), without the written consent of each Lender directly affected thereby (it being understood that additional Indebtedness consented to by the Required Lenders and additional Loans pursuant to Section 2.23 and Section 2.24 may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents and may share payments and setoffs ratably with other Loans);

(ix) change any provision of this Section 11.02(b), (c), or (d), without the written consent of each Lender directly affected thereby (except for additional restrictions on amendments or waivers for the benefit of Lenders of additional Indebtedness consented to by the Required Lenders and additional Loans pursuant to Section 2.23 and Section 2.24);

(x) change the percentage set forth in the definition of “Required Lenders” or any other provision of any Loan Document (including this Section) specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, other than to increase such percentage or number or to give any additional Lender or group of Lenders such right to waive, amend or modify or make any such determination or grant any such consent;

(xi) amend, modify or waive any provision of: (A) Section 2.1 of the Intercreditor Agreement to the extent such amendment, modification or waiver would adversely affect the priority of the Liens on the Collateral held by the Collateral Agent for the benefit of the Secured Parties or (B) Section 6.3 of the Intercreditor Agreement in a manner that adversely affects the priority of payments of Collateral proceeds, in each case without the written consent of each affected Lender; provided that this clause (xi) shall not apply to amending, modifying or waiving any provision of Section 2.1 or 6.3 of the Intercreditor Agreement in order to (1) give effect to any additional Indebtedness, including the designation of any such Indebtedness as Pari Passu Debt (as defined in the Intercreditor Agreement), Subordinated Lien Debt (as defined in the Intercreditor Agreement) or Indebtedness under any Revolving Credit Loan Document and the granting of security interests to the holders of such Pari Passu Debt, Subordinated Lien Debt or Indebtedness under any Revolving Credit Loan Document in the Collateral to secure the obligations under such Pari Passu Debt, Subordinated Lien Debt or Indebtedness under any Revolving Credit Loan Document that is permitted pursuant to Section 6.01 hereof (or would be permitted pursuant to an amendment, modification or waiver of this Agreement that is otherwise permitted by this Section 11.02) or (2) to enable any other Indebtedness to constitute Pari Passu Debt, Subordinated Lien Debt or Indebtedness

under any Revolving Credit Loan Document to the extent not prohibited by this Agreement; and

(xii) change or waive any provision of ARTICLE X as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the written consent of such Agent;

(xiii) from and after the effective date of the first Increase Joinder entered into after the Second Amendment Effective Date, amend, change, modify or waive any provision of this Agreement or any other Loan Document in a manner that adversely affects Lenders of a particular Class, on the one hand, as compared to Lenders of another Class, on the other hand, in each case without the written consent of the Required Lenders of such affected Class (together with the written consent of such additional Lenders of such affected Class otherwise required pursuant to the other terms of this Section 11.02 (as if such provisions applied solely to such affected Class));

provided, further, that

(1) any waiver, amendment or modification of the Intercreditor Agreement (and any related definitions) may be effected by an agreement or agreements in writing entered into among the Collateral Agent, the Administrative Agent, the Revolving Credit Collateral Agent and the Revolving Credit Administrative Agent (in each case, with the consent of the Required Lenders but without the consent of any Loan Party, so long as such amendment, waiver or modification does not impose any additional duties or obligations on the Loan Parties or alter or impair any right of any Loan Party under the Loan Documents); and

(2) upon the effectiveness of any Refinancing Amendment or any Incremental Term Loan Commitment or any Incremental Term Loan, the Administrative Agent, the Designated Company and the Lenders providing the relevant Credit Agreement Refinancing Indebtedness or Incremental Term Loan Commitment may amend this Agreement to the extent (but only to the extent) necessary to reflect the existence and terms of the Credit Agreement Refinancing Indebtedness or Incremental Term Loans incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans and/or Other Term Loan Commitments and any Incremental Term Loan Commitments or Incremental Term Loans, as applicable). The Administrative Agent and the Designated Company may effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Designated Company, to effect the terms of any Refinancing Amendment;

provided, further, that, notwithstanding anything to the contrary contained herein, each Agent is hereby authorized by each Lender to enter into any amendment to or modification of the Intercreditor Agreement or the Security Documents in connection with the issuance or incurrence of Pari Passu Secured Obligations or Subordinated Lien Secured Obligations (each as defined under the Intercreditor Agreement) or any Permitted Revolving Credit Facility Refinancings, solely to the extent necessary to effect such amendments as may be necessary or appropriate, in the reasonable opinion of such Agent, in connection with any such issuance or incurrence expressly permitted hereunder, so long as such amendment or modification does not adversely affect the rights of any Lender (it being understood that allowing Pari Passu Secured Obligations,

Subordinated Lien Secured Obligations and Permitted Revolving Credit Facility Refinancings to be secured by Collateral on the terms set forth in the Intercreditor Agreement will not be deemed to adversely affect the rights of any Lender);

and provided, further, that any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, the principal owed to such Lender reduced or this proviso amended, without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

(c) Collateral. Without the consent of any other person, the Administrative Agent and/or Collateral Agent may (or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Security Document (subject to the consent of the Loan Parties party thereto except as otherwise provided in such Security Document) or enter into any new agreement or instrument, to (i) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (ii) as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law (in the case of the U.S. Hold Separate Assets, as such Requirements of Law are modified pursuant to a U.S. Hold Separate Agreement), or (iii) to cure any inconsistency with this Agreement (other than, solely in the case of clause (iii), amendments or waivers to provisions in such Security Documents that are required to create or perfect the security interests created thereby or cause such Security Document or security interest to be enforceable).

(d) Dissenting Lenders. If, in connection with any proposed change, waiver, consent, discharge or termination of the provisions of this Agreement as contemplated by Section 11.02(b), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Designated Company shall have the right, upon notice by the Designated Company to such Lender and the Administrative Agent, to replace all, but not less than all, of such non-consenting Lender or Lenders (so long as all non-consenting Lenders are so replaced) with one or more persons pursuant to Section 2.16 so long as at the time of such replacement each such new Lender consents to the proposed change, waiver, consent, discharge or termination. Each Lender agrees that, if the Designated Company elects to replace such Lender in accordance with this Section, it shall promptly execute and deliver to the Administrative Agent an Assignment and Assumption to evidence such sale and purchase and shall deliver to the Administrative Agent any Note (if Notes have been issued in respect of such Lender's Loans) subject to such Assignment and Assumption; provided that the failure of any such non-consenting Lender to execute an Assignment and Assumption shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register.

(e) Holdings Amalgamation; Permitted Reorganization and Increased Commitments. Notwithstanding the foregoing, the Administrative Agent, the Collateral Agent and the Designated Company (without the consent of any Lenders) may amend, amend and restate, supplement or otherwise modify this Agreement and the other Loan Documents if necessary or advisable in connection with or to effectuate (i) the Permitted Holdings Amalgamation, (ii) the Permitted Reorganization (to the extent set forth in the definitions of "Permitted Reorganization") and (iii) any additional Loans contemplated by Section 2.23 and Section 2.24.

(f) Loan Modification Offers.

(i) The Designated Company may, by written notice to the Administrative Agent from time to time, make one or more offers (each, a “**Loan Modification Offer**”) to all the Lenders of one or more Classes of Loans (each Class subject to such a Loan Modification Offer, an “**Affected Class**”) to make one or more Permitted Amendments (as defined below) pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Designated Company. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective (which shall not be less than 10 Business Days nor more than 30 Business Days after the date of such notice) (or such shorter periods as are acceptable to the Administrative Agent). Permitted Amendments shall become effective only with respect to the Loans of the Lenders of the Affected Class that accept the applicable Loan Modification Offer (such Lenders, the “**Accepting Lenders**”) and, in the case of any Accepting Lender, only with respect to such Lender’s Loans of such Affected Class as to which such Lender’s acceptance has been made. Each Lender of each Affected Class may elect or decline, in its sole discretion, to participate in such Loan Modification Offer.

(ii) The Designated Company and each Accepting Lender shall execute and deliver to the Administrative Agent an agreement in form and substance satisfactory to the Administrative Agent giving effect to the Permitted Amendment (a “**Loan Modification Agreement**”) and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Commitments of the Accepting Lenders of the Affected Class. Notwithstanding the foregoing, no Permitted Amendment shall become effective under this Section 11.02 unless the Administrative Agent, to the extent so reasonably requested by the Administrative Agent, shall have received corporate documents, officers’ certificates and legal opinions consistent with those delivered on the Closing Date under Section 4.02.

(iii) “**Permitted Amendments**” shall be (A) an extension of the final maturity date of the applicable Loans of the Accepting Lenders (provided that such extensions may not result in having more than two additional final maturity dates in any year, or more than three additional final maturity dates at any time, under this Agreement without the consent of the Administrative Agent), (B) a reduction, elimination or extension, of the scheduled amortization of the applicable Loans of the Accepting Lenders, (C) a change in rate of interest (including a change to the Applicable Margin and any provision establishing a minimum rate), premium, or other amount with respect to the applicable Loans of the Accepting Lenders and/or a change in the payment of fees to the Accepting Lenders (such change and/or payments to be in the form of cash, Equity

Interests or other property to the extent not prohibited by this Agreement), and (D) any other amendment to a Loan Document required to give effect to the Permitted Amendments described in clauses (A) to (C) of this Section 11.02(g).

(g) Most Favored Nation Provision. The Administrative Agent is authorized to enter into any amendment to this Agreement contemplated under Section 6.10 with the Designated Company, and without the approval of any other Person, notwithstanding anything in this Agreement to the contrary.

Section 11.03 Expenses; Indemnity; Damage Waiver

(a) Costs and Expenses. The Co-Borrowers shall jointly and severally pay or cause the applicable Loan Party to pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Escrow Agent, the Mandated Lead Arrangers, the Incremental Mandated Lead Arrangers, and their respective Affiliates (including the reasonable fees, charges and disbursements of one primary transaction counsel (plus local counsel in each applicable jurisdiction) for the Administrative Agent and/or the Collateral Agent and/or the Escrow Agent, all fees and time charges for attorneys who may be employees of the Administrative Agent and/or Collateral Agent and/or Escrow Agent, expenses incurred in connection with due diligence, inventory appraisal and collateral audit and reporting fees, travel, courier, reproduction, printing and delivery expenses, and the obtaining and maintaining of CUSIP numbers for the Loans) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, in connection with each step of the Permitted Reorganization, the Aleris Acquisition and the Permitted Holdings Amalgamation, and in connection with any amendment, amendment and restatement, modification or waiver of the provisions hereof or of any of the foregoing (whether or not the transactions contemplated hereby or thereby shall be consummated), including in connection with post-closing searches to confirm that security filings and recordations have been properly made, (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Escrow Agent, any Lender or any Receiver (including the fees, charges and disbursements of one primary counsel (plus local or special counsel in each applicable jurisdiction) for the Administrative Agent and/or the Collateral Agent and/or the Escrow Agent (and all fees and time charges for attorneys who may be employees of the Administrative Agent and/or the Collateral Agent and/or the Escrow Agent) and one primary counsel (plus local or special counsel in each applicable jurisdiction) for the Lenders, and one primary counsel (plus local or special counsel in each applicable jurisdiction) for any Receiver), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 11.03, (B) in enforcing, preserving and protecting, or attempting to enforce, preserve or protect its interests in the Collateral, the Escrow Account, the Escrowed Amounts, and the Escrowed Term Loans or (C) in connection with the Escrowed Account, the Escrowed Amounts, and the Loans issued hereunder (including the Escrowed Term Loans), including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Escrow Account, Escrowed Amounts, the Loans and/or the Escrowed Term Loans and (iv) all documentary and similar taxes and charges in respect of the Loan Documents.

(b) Indemnification. Each Loan Party shall indemnify each Agent (and any sub-agent thereof), the Escrow Agent, each Mandated Lead Arranger, each Incremental Mandated Lead Arranger, each Lender and Receiver, and each Related Party of any of the foregoing persons (each such person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all reasonable out-of-pocket losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any third party or

by the Designated Company or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby (including in connection with the Escrow Account and the escrow arrangement set forth in Section 2.21, each step of the Permitted Reorganization, the Aleris Acquisition and any Permitted Holdings Amalgamation), (ii) reliance by any Indemnatee on any electronic signature used to execute the documents referenced in clause (i) above purportedly given by or on behalf of a Loan Party without further verification by any Indemnatee, (iii) the Escrowed Amounts or any Loan (including the Escrowed Term Loans) or the use or proposed use of the proceeds therefrom, (iv) any actual or alleged presence or Release or threatened Release of Hazardous Materials on, at, under or from any property owned, leased or operated by any Company at any time, or any Environmental Claim related in any way to any Company, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Designated Company or any other Loan Party, and regardless of whether any Indemnatee is a party thereto (including any actual or prospective claim, litigation, investigation or proceeding relating to the use of electronic signatures to execute the documents referenced in clause (i) above); provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee or (y) result from a claim brought by the Designated Company or any other Loan Party against an Indemnatee for breach in bad faith of such Indemnatee's obligations hereunder or under any other Loan Document, if the Designated Company or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. WITHOUT LIMITATION OF THE FOREGOING, IT IS THE INTENTION OF THE LOAN PARTIES, AND THE LOAN PARTIES AGREE, THAT THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNITEE WITH RESPECT TO LOSSES, CLAIMS, DAMAGES, PENALTIES, LIABILITIES AND RELATED EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR), WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNITEE.

(c) Reimbursement by Lenders. To the extent that any Loan Party for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section 11.03 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Collateral Agent (or any sub-agent thereof) or any Receiver or any Related Party thereof, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Collateral Agent (or any such sub-agent) such Receiver or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Collateral Agent (or any such sub-agent) or the Receiver, in each case, in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Collateral Agent (or any such sub-agent) or the Receiver in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.14(g). For purposes hereof, a Lender's "*pro rata share*" shall be determined based upon its share of the sum of the total outstanding Term Loans and unused Commitments of all Lenders at the time (or if the Term Loans have been repaid in full and the Commitments have been terminated, based upon its share of the Term Loans immediately prior to such repayment). To the extent that any Loan

Party for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section 11.03 to be paid by it to the Escrow Agent or any Receiver or any Related Party thereof, each Aleris Incremental Term Lender severally agrees to pay to the Escrow Agent, such Receiver or such Related Party, as the case may be, such Aleris Incremental Term Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Escrow Agent or such Receiver, in each case, in its capacity as such, or against any Related Party of any of the foregoing acting for the Escrow Agent or such Receiver in connection with such capacity. For purposes of the immediately preceding sentence, an Aleris Incremental Term Lender's "*pro rata share*" shall be determined based upon its share of the sum of the total outstanding Aleris Incremental Term Loans and unused Aleris Incremental Term Loan Commitments of all Aleris Incremental Term Lenders at the time (or if the Aleris Incremental Term Loans have been repaid in full and the Aleris Incremental Term Loan Commitments have been terminated, based upon its share of the Aleris Incremental Term Loans immediately prior to such repayment, or, if the Aleris Incremental Term Loans were never funded to the applicable Co-Borrower, based upon its share of the Aleris Incremental Term Loan Commitments immediately prior to such termination).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Requirements of Law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Escrowed Amounts, any Loan (including the Escrowed Term Loans) or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than three (3) Business Days after demand therefore accompanied by reasonable particulars of amounts due.

(f) Survival. The agreements in this Section shall survive the resignation of any or all of the Administrative Agent, the Collateral Agent or the Escrow Agent, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the Obligations.

Section 11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Designated Company nor any other Loan Party may (except as a result of a transaction expressly permitted by Section 6.05(c) or 6.05(e)) assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section 11.04, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 11.04 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by the Designated Company, any other Loan Party or any Lender shall be null and void). Nothing in this Agreement, expressed or implied, shall be

construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of any assignment made on or prior to the Syndication Termination Date in respect of any Class or an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans of such Class at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) of such Class or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of such Class of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall be an integral multiple of \$1,000,000, unless, so long as no Event of Default has occurred and is continuing, the Designated Company otherwise consents (each such consent not to be unreasonably withheld or delayed) and, with respect to any Co-Borrower, such consent shall be deemed given if no objection is made by the Designated Company within five Business Days after notice of the proposed assignment; provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned;

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with (except (x) in the case of any such assignments by the Incremental Mandated Lead Arrangers or their respective Affiliates and (y) on or prior to the Syndication Termination Date under clause (ii) of such definition) a processing and recordation fee of \$3,500 (provided that only one such fee shall be imposed in the case of simultaneous assignments by related Approved Funds or Affiliates of the assigning Lender), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(iv) the assigning Lender of an interest in the Aleris Incremental Term Loans shall indicate in the applicable Assignment and Assumption whether such interest (or identified portion thereof) is eligible for indemnification in respect of Covered Aleris Syndication Taxes;

(v) the Administrative Agent shall have received a U.S. tax withholding certificate (or, alternatively, other evidence satisfactory to the Administrative Agent) confirming FATCA compliance of the Eligible Assignee pursuant to paragraph (v) of Section 2.15(f) (FATCA Information). For the avoidance of doubt, and pursuant to paragraph (viii) of Section 2.15(f) (FATCA Information), the Administrative Agent may rely on such U.S. tax withholding certificate or other evidence from each Lender without further verification, and the Administrative Agent shall not be liable for any action taken by it in respect of such U.S. tax withholding certificate or other evidence under or in connection with paragraph (v), (vi) or (vii) of Section 2.15(f) (FATCA Information); and

(vi) *Discounted Purchases.* Each Lender acknowledges that, commencing with the date that is three months after the Syndication Termination Date, each Co-Borrower is an Eligible Assignee hereunder and may purchase Term Loans hereunder from Lenders from time to time pursuant to a Discounted Purchase in accordance with the terms of this Agreement (including, without limitation, Section 11.04 hereof), subject to the restrictions set forth in the definitions of “Discounted Purchase” and “Eligible Assignee” and the following limitations:

(A) each Co-Borrower agrees that, notwithstanding anything herein or in any of the other Loan Documents to the contrary, (1) under no circumstances, whether or not any Loan Party is subject to a bankruptcy or other insolvency proceeding, shall any Co-Borrower be permitted to exercise any voting rights or other privileges with respect to any Term Loans and any Term Loans that are assigned to any Co-Borrower shall have no voting rights or other privileges under this Agreement and the other Loan Documents and shall not be taken into account in determining any required vote or consent and (2) the Co-Borrowers shall not receive information provided solely to Lenders by the Administrative Agent or any Lender and shall not be permitted to attend or participate in meetings attended solely by Lenders and the Administrative Agent and their advisors; rather, all Loans held by each Co-Borrower shall be automatically cancelled immediately upon the purchase or acquisition thereof in accordance with the terms of this Agreement (including, without limitation, Section 11.04 hereof);

(B) at the time any Co-Borrower is making Discounted Purchases of Loans it shall enter into an agreement with the Administrative Agent for the benefit of the Administrative Agent and Lenders setting forth the agreements, representations and warranties set forth in this paragraph (vi) that are applicable to it, in a manner reasonably satisfactory to the Administrative Agent and in any case identifying such Co-Borrower as the purchaser;

(C) immediately upon the effectiveness of each Discounted Purchase, a Cancellation (it being understood that such cancellation shall not constitute a voluntary repayment of Loans for purposes of this Agreement) shall be automatically irrevocably effected with respect to all of the Loans and related Obligations subject to such Discounted Purchase for no consideration, with the effect that such Loans and related Obligations shall for all purposes of this Agreement and the other Loan Documents no longer be outstanding, and the Co-Borrowers and the Guarantors shall no longer have any Obligations relating thereto, it being understood that such forgiveness and cancellation shall result in the Co-Borrowers and the Guarantors being irrevocably and unconditionally released from all claims and liabilities relating to such Obligations which have been so cancelled and forgiven, and the Collateral shall cease to secure any such Obligations which have been so cancelled and forgiven; and

(D) at the time of such Purchase Notice and Discounted Purchase, (x) no Default or Event of Default shall have occurred and be continuing or would result therefrom, and (y) no proceeds of Revolving Credit Loans are used to consummate the Discounted Purchase.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 11.04, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 7.10 and Section 11.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 11.04. In the event of a transfer by novation of all or part of its rights and obligations under this Agreement by a Lender, such Lender expressly reserves the rights, powers, privileges and actions that it enjoys under any Security Documents governed by French law in favor of its Eligible Assignee, in accordance with the provisions of article 1334 *et seq.* of the French *Code civil*.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Co-Borrowers (and such agency being solely for tax purposes), shall, at all times at the Administrative Agent's Office, while any Loans are outstanding, maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Co-Borrowers, the Administrative Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain in the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Collateral Agent, the Co-Borrowers and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice. During any period that the Borrower is required to deliver a certificate pursuant to Section 2.15(l)(v), the Administrative Agent shall, if requested by any Co-Borrower, promptly provide the Borrower with copies of each Assignment and Assumption delivered to the Administrative Agent. The requirements of this Section 11.04(c) are intended to result in any and all Loans being in "registered form" for purposes of Section 871, Section 881 and any other applicable provision of the Code, and shall be interpreted and applied in a manner consistent therewith. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of each Co-Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments and Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive

absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Co-Borrower or the Administrative Agent sell participations to any person (other than a natural person, a Defaulting Lender or a Co-Borrower, any Co-Borrowers' or any other Company's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) each Loan Party, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii) or (iii) of the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (e) of this Section, the Co-Borrowers agree that each Participant shall be entitled to the benefits of Section 2.12, Section 2.13, Section 2.15, Section 2.16 and Section 7.10 (subject to the requirements of those Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided, that such Participant shall not be entitled to receive any greater payment under Section 2.12, Section 2.15, or Section 7.10 with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to such Section 2.14 as though it were a Lender.

(e) Limitations on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.12, Section 2.13, Section 2.15, Section 2.16 and Section 7.10 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Designated Company's prior written consent.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any other central bank with jurisdiction over such Lender; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Disqualified Institutions.

(i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "**Trade Date**") on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to

such Person (unless the Designated Company has consented to such assignment in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of “Disqualified Institution”), (x) such assignee shall not retroactively be disqualified from becoming a Lender and (y) the execution by the Designated Company of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment or participation in violation of this clause (g)(i) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment (but not participation) is made to any Disqualified Institution without the Designated Company’s prior written consent in violation of clause (i) above, or any Person (other than a Participant) becomes a Disqualified Institution after the applicable Trade Date, the Designated Company may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) purchase or prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder (and, in the case of a purchase, effect an immediate Cancellation) and/or (B) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 11.04), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, if any assignment (but not participation) is made to any Disqualified Institution without the Designated Company’s prior written consent in violation of clause (i) above, then such Disqualified Institution (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Loan Parties, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, such Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (“**Reorganization Plan**”), such Disqualified Institution party hereto hereby agrees (1) not to

vote on such Reorganization Plan, (2) if such Disqualified Institution does vote on such Reorganization Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Reorganization Plan in accordance with Section 1126(c) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Designated Company hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Designated Company and any updates thereto from time to time (collectively, the “**DQ List**”) on the Platform, including that portion of the Platform that is designated for “public side” Lenders and/or (B) provide the DQ List to each Lender requesting the same.

(h) Preservation of Belgian Security Interests. The benefit of the Belgian Security Agreements and all security interests created thereunder shall automatically transfer to any assignee or transferee (by way of novation or otherwise) of part or all of the obligations expressed to be secured by the Belgian Security Agreements. For the purpose of Article 1278 and Article 1281 of the Belgian Civil Code (and, to the extent applicable, any similar provisions of foreign law), the Collateral Agent, the other Secured Parties and each of the other Loan Parties hereby expressly reserve the preservation of the Belgian Security Agreements and all security interests created thereunder in case of assignment, novation, amendment or any other transfer or change of the obligations expressed to be secured by the Belgian Security Agreements (including, without limitation, an extension of the term or an increase of the amount of such obligations or the granting of additional credit) or of any change of any of the parties to this Agreement or any other Loan Document. As of the Second Amendment Effective Date, each Lender party to the Second Amendment, which Lenders constitute the Required Lenders, and each Lender that becomes a party to this Agreement after the Second Amendment Effective Date, expressly consents to the terms of this Section 11.04(h), and hereby agrees that the form Assignment and Assumption may be updated to include the terms of this Section 11.04(h) without the further consent of any other Person.

Section 11.05 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Commitments have not expired or terminated. The provisions of Section 2.12, Section 2.13, Section 2.14, Section 2.15, Section 2.16, Section 7.10, ARTICLE X and Section 11.03 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 11.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to any Agent, the Escrow Agent, the Incremental Mandated Lead Arrangers, or the Mandated Lead Arrangers constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 11.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 11.08 Right of Setoff. Subject to the Intercreditor Agreement, if an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Designated Company or any other Loan Party against any and all of the obligations of the Designated Company or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Designated Company or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Designated Company and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09 GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. FOR PURPOSES OF ARTICLE 9 OF THE UCC, THE ESCROW AGENT'S JURISDICTION SHALL BE THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED

STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN SECTION 11.09(B). EACH FRENCH GUARANTOR AND EACH OTHER FRENCH SUBSIDIARY HEREBY WAIVES THE BENEFIT OF THE PROVISIONS OF ARTICLE 14 OF THE FRENCH *CODE CIVIL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPIER, E-MAIL OR OTHER ELECTRONIC TRANSMISSION) IN SECTION 11.01. EACH LOAN PARTY HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS CORPORATION SERVICE COMPANY, 1180 AVE OF THE AMERICAS, SUITE 210, NEW YORK, NEW YORK, 10036 (TELEPHONE NO: 800-927-9801, X52067) (TELECOPY NO: 212-299-5656) (ELECTRONIC MAIL ADDRESS: MWIENER@CSCINFO.COM) (THE “**PROCESS AGENT**”), IN THE CASE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE UNITED STATES AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS THAT MAY BE SERVED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY LOAN DOCUMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE REQUIREMENTS OF LAW.

SECTION 11.10 WAIVER OF JURY TRIAL. EACH LOAN PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT

OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 11.12 Treatment of Certain Information; Confidentiality. Each Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates (including its head office, branch or representative offices) and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors, service providers and other representatives (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law, stock exchange requirement, or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant or sub-Participant in, or any prospective Lender, or prospective assignee of or Participant or sub-Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap ~~or~~ derivative transaction ~~relating to~~ or other transaction under which payments are to be made by reference to any Loan Party and its obligations, this Agreement or payments hereunder, or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Lender, (g) with the consent of the Designated Company or the applicable Loan Party, (h) to insurers, insurance brokers and other credit protection and service providers of any Agent, Lender, or any of their respective Affiliates who are under a duty of confidentiality to such Agent, Lender or Affiliate, (i) to any Federal Reserve Bank or any other central bank with jurisdiction over such Person in connection with a pledge or assignment in accordance with Section 11.04(f) or (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties. For purposes of this Section, "**Information**" shall mean all written information received from a Loan Party or any of its Subsidiaries relating to the Loan Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to any Agent or any Lender on a nonconfidential basis prior to disclosure by any Loan Party or any of their Subsidiaries, provided that, in the case of information received from any Loan Party or any of their Subsidiaries after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information.

Section 11.13 USA PATRIOT Act Notice. Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Designated Company and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**Patriot Act**”), it is required to obtain, verify and record information that identifies the Designated Company and the other Loan Parties, which information includes the name, address and tax identification number of the Designated Company and the other Loan Parties and other information regarding the Designated Company and the other Loan Parties that will allow such Lender or the Administrative Agent, as applicable, to identify the Designated Company and the other Loan Parties in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Lenders and the Administrative Agent. Where a Lender has received soft copies of the documents provided pursuant to Section 4.01, the definition of Permitted Reorganization or this Section 11.13, within a reasonable period of time following the written request therefor by such Lender, the Designated Company shall deliver paper copies to such Lender, it being understood that the Lenders have a right to seek paper copies of all such documentation as may be required in order to enable compliance with applicable “know your customer” and anti-money laundering rules and regulations.

Section 11.14 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the “**Maximum Rate**”). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Co-Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 11.15 Singapore Personal Data Protection Act. If a Loan Party provides a Secured Party with personal data of any individuals (including, where applicable, a Loan Party’s directors, officers, employees, shareholders, beneficial owners, representatives, agents and principals (if acting on behalf of another)), that Loan Party represents and warrants that it:

- (a) has obtained (and shall maintain) the consent from such individual; and
- (b) is authorized to deliver such personal data to that Secured Party for collection, use, disclosure, transfer and retention of personal data for such purposes as set out in that Secured Party’s personal data protection policy or as permitted by applicable laws or regulations.

Section 11.16 Obligations Absolute. To the fullest extent permitted by applicable Requirements of Law (in the case of the U.S. Hold Separate Order, as such Requirements of Law are modified as it relates to Aleris Rolled Products, Inc. and/or the other U.S. Subsidiaries of Aleris pursuant to a U.S. Hold Separate Agreement), all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

- (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;
- (b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

Notwithstanding anything herein to the contrary, each party hereby acknowledges that the provisions of article 1195 of the French *code civil* shall not apply to it with respect to its obligations under the French Security Agreements and that it shall not be entitled to make any claim under article 1195 of the French *code civil*.

Section 11.17 Intercreditor Agreement. Notwithstanding anything to the contrary contained herein, each Lender acknowledges that the Lien and security interest granted to the Collateral Agent pursuant to the Security Documents and the exercise of any right or remedy by such Collateral Agent thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement, on the one hand, and the Security Documents, on the other hand, the terms of the Intercreditor Agreement shall govern and control.

Section 11.18 Judgment Currency.

(a) Each Loan Party's obligations hereunder and under the other Loan Documents to make payments in Dollars (the "**Obligation Currency**") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or such Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "**Judgment Currency**") an amount due in the Obligation Currency, the conversion shall be made at the spot selling rate at which the Administrative Agent (or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) offers to sell such Judgment Currency for the Obligation Currency in the London foreign exchange market at approximately 11:00 a.m. London time on such date for delivery two (2) Business Days later (such date of determination of such spot selling rate, being hereinafter referred to as the "**Judgment Currency Conversion Date**").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Co-Borrowers covenant and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the

amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining any rate of exchange for this Section 11.18, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

Section 11.19 Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, any of the Administrative Agent and the Collateral Agent, as the relevant Loan Document may provide, in accordance with the terms of the Loan Documents; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent or the Collateral Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent and the Collateral Agent, as the case may be) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with the terms hereof (subject to Section 2.14), (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any bankruptcy, insolvency or Debtor Relief Law or (d) any Person authorized under the Intercreditor Agreement to exercise rights and remedies with respect to the Collateral; and provided, further, that if at any time there is no person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent regarding the enforcement of rights and remedies under the Loan Documents and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.14, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 11.20 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Designated Company and each other Loan Party acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Collateral Agent and the Mandated Lead Arrangers are arm's-length commercial transactions between the Designated Company and each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Collateral Agent and the Mandated Lead Arrangers, on the other hand, (B) each of the Designated Company and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Designated Company and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Collateral Agent, and the Mandated Lead Arrangers each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Designated Company, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Collateral Agent nor the Mandated Lead Arrangers has any obligation to the Designated Company, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Collateral Agent and the Mandated Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Designated Company, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Collateral Agent nor any of the Mandated Lead Arrangers has any obligation to disclose any of such interests to the Designated Company,

any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Designated Company and the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, the Collateral Agent and the Mandated Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.21 Abstract Acknowledgment of Indebtedness and Joint Creditorship.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally agrees and covenants with the Collateral Agent by way of an abstract acknowledgment of indebtedness (*abstraktes Schuldversprechen*) that it owes to the Collateral Agent as creditor in its own right and not as a representative of the other Secured Parties, sums equal to, and in the currency of, each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents relating to any Secured Obligations, as and when that amount falls due for payment under the relevant Secured Debt Agreement or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve its entitlement to be paid that amount.

(b) Each Loan Party undertakes to pay to the Collateral Agent upon first written demand the amount payable by such Loan Party to each of the Secured Parties under each of the Secured Debt Agreements as such amount has become due and payable.

(c) The Collateral Agent has the independent right to demand and receive full or partial payment of the amounts payable by each Loan Party under this Section 11.21, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve their entitlement to be paid those amounts.

(d) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.21 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Secured Debt Agreements and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.21; provided that no Loan Party may consider its obligations towards a Secured Party to be so discharged by virtue of any set-off, counterclaim or similar defense that it may invoke vis-à-vis the Collateral Agent.

(e) The rights of the Secured Parties (other than the Collateral Agent) to receive payment of amounts payable by each Loan Party under the Secured Debt Agreements are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.21.

(f) In addition, but without prejudice to the foregoing, the Collateral Agent shall be the joint creditor (together with the relevant Secured Parties) of all obligations of each Loan Party towards each of the Secured Parties under the Secured Debt Agreements.

Section 11.22 Special Appointment of Collateral Agent for German Security and other German Matters.

(a) (i) Each Secured Party that is or will become party to this Agreement hereby appoints the Collateral Agent as trustee (*Treuhaender*) and administrator for the purpose of holding on trust (*Treuhand*), administering, enforcing and releasing the German Security (as

defined below) for the Secured Parties, (ii) the Collateral Agent accepts its appointment as a trustee and administrator of the German Security on the terms and subject to the conditions set out in this Agreement and (iii) the Secured Parties, the Collateral Agent and all other parties to this Agreement agree that, in relation to the German Security, no Secured Party shall exercise any independent power to enforce any German Security or take any other action in relation to the enforcement of the German Security, or make or receive any declarations in relation thereto.

(b) To the extent possible, the Collateral Agent shall hold and administer any German Security which is security assigned, transferred or pledged under German law to it as a trustee for the benefit of the Secured Parties, where “**German Security**” shall mean the assets which are the subject of a security document which is governed by German law.

(c) Each Secured Party hereby authorizes and instructs the Collateral Agent (with the right of sub delegation) to enter into any documents evidencing German Security and to make and accept all declarations and take all actions as it considers necessary or useful in connection with any German Security on behalf of the Secured Parties. The Collateral Agent shall further be entitled to rescind, release, amend and/or execute new and different documents securing the German Security.

(d) The Secured Parties and the Collateral Agent agree that all rights and claims constituted by the abstract acknowledgment of indebtedness pursuant to this Section 11.22 and all proceeds held by the Collateral Agent pursuant to or in connection with such abstract acknowledgment of indebtedness are held by the Collateral Agent with effect from the date of such abstract acknowledgment of indebtedness in trust for the Secured Parties and will be administered in accordance with the Loan Documents. The Secured Parties and the Collateral Agent agree further that the respective Loan Party’s obligations under such abstract acknowledgment of indebtedness shall not increase the total amount of the Secured Obligations (as defined in the respective agreement governing German Security) and shall not result in any additional liability of any of the Loan Parties or otherwise prejudice the rights of any of the Loan Parties. Accordingly, payment of the obligations under such abstract acknowledgment of indebtedness shall, to the same extent, discharge the corresponding Secured Obligations and vice versa.

(e) Each Secured Party hereby ratifies and approves all acts and declarations previously done by the Collateral Agent on such Secured Party’s behalf (including, for the avoidance of doubt the declarations made by the Collateral Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any Secured Party as future pledgee or otherwise).

(f) The representations and warranties in Section 3.22 and the covenants in Section 6.21, in each case, given by any Loan Party resident in Germany (*Inländer*) within the meaning of Section 2 para. 15 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*) (or any Loan Party in relation to a Loan Party so resident in Germany) are made only to the extent that they do not result in a violation of or conflict with Section 7 of the German Foreign Trade and Payments Regulation (*Außenwirtschaftsverordnung*).

Section 11.23 Special Appointment of Collateral Agent in Relation to South Korea.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents as and when that amount falls due for payment under the relevant Loan Document or would have fallen due but for any discharge resulting from failure of another Secured Party to

take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve its entitlement to be paid that amount.

(b) The Collateral Agent shall have its own independent right to demand payment of the amounts payable by each Loan Party under this Section 11.23, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.23 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Loan Documents and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.23.

(d) Subject to paragraph (c) above, the rights of the Secured Parties (in each case, other than the Collateral Agent) to receive payment of amounts payable by each Loan Party under the Loan Documents are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.23.

(e) The Administrative Agent and the Collateral Agent are authorized to enter into consents to any lock-up or listing agreement required by any applicable rule or regulation in connection with any listing or offering of Equity Interests in NKL and may consent to such Equity Interests being held by a depository or securities intermediary; provided, that the Collateral Agent's Liens in the Equity Interests of NKL or its direct parents, 4260848 Canada Inc., 4260856 Canada Inc. and 8018227 Canada Inc., are not impaired.

Section 11.24 Special Appointment of Collateral Agent in Relation to France. For the purpose of any French Security Agreements and all security interests created thereunder:

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally undertakes insofar as necessary, in advance, to pay to the Collateral Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents as and when that amount falls due for payment under the relevant Loan Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps to preserve its entitlement to be paid that amount (such payment undertakings, obligations and liabilities which are the result thereof, hereinafter referred to as the "Parallel Debt").

(b) The Collateral Agent shall have its own independent right to demand payment of the amounts payable by each Loan Party under this Section 11.24, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.24 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Loan Documents and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.24.

(d) The Collateral Agent shall apply any amounts received in payment of any Parallel Debt in accordance with the terms and conditions of this Agreement governing the application of proceeds in payment of any Secured Obligations.

The rights of the Secured Parties (other than any Parallel Debt) to receive payment of amounts payable by each Loan Party under the Loan Documents are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.24.

Section 11.25 Swiss Tax Ruling

(a) The Borrower has obtained on prior occasions and shall obtain if and when needed subsequent to the Closing Date, and each other Co-Borrower shall obtain subsequent to the first Increase Effective Date hereunder (but, in each case, within a reasonable timeframe) (a) a ruling from the Wallis cantonal tax authority confirming that the payment of Interests under this Agreement shall not be subject to federal, cantonal, and municipal direct taxes levied at source in Switzerland as per Article 51 § 1 lit. d and Article 94 of the Swiss Federal Direct Tax Act of December 14, 1990 and as per Article 21 § 2 lit. a and Article 35 § lit. e of the Swiss Federal Harmonization Direct Tax Act of December 14, 1990, and (b) a ruling from the Zurich cantonal tax authority confirming that the aforesaid direct taxes levied at source may be solely ruled with the Canton where the Swiss real estate is located. In the event that the aforementioned confirmation is not granted, the Borrower and such Co-Borrowers further acknowledge that the gross-up mechanism provided for under Section 2.15 shall apply with respect to any such direct taxes levied at source.

Section 11.26 Designation of Collateral Agent under Civil Code of Quebec. Each of the parties hereto (including each Lender, acting for itself and on behalf of each of its Affiliates which are or become Secured Parties from time to time) confirms that the Collateral Agent (or any successor thereto) is the hypothecary representative (within the meaning of Article 2692 of the *Civil Code of Québec*) of the Secured Parties from time to time for the purposes of the hypothecary security granted or to be granted by the Loan Parties or any one of them under the laws of the Province of Québec. The execution by the Collateral Agent in its capacity as *fondé de pouvoir* or hypothecary representative prior to the Closing Date of any document creating or evidencing any such hypothecs is hereby ratified and confirmed. Notwithstanding the provisions of Section 32 of *the Act respecting the special powers of legal persons (Québec)*, the Collateral Agent may acquire and be the holder of any of the bonds secured by any such hypothec.

Section 11.27 Maximum Liability. Subject to Section 7.08 and Sections 7.11 through 7.17, it is the desire and intent of each Loan Party and the Lenders, that, in each case, the liability of such Loan Party shall be enforced against such Loan Party to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. If, however, and to the extent that, the obligations of any Loan Party under any Loan Document shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state, provincial or federal law relating to fraudulent conveyances or transfers), then the amount of such Loan Party's obligations (in the case of any invalidity or unenforceability with respect such Loan Party's obligations) under the Loan Documents shall be deemed to be reduced and such Loan Party shall pay the maximum amount of the Secured Obligations which would be permissible under applicable law; provided that any guarantees of any such obligations that are subject to deemed reduction pursuant to this Section 11.27 shall, to the fullest extent permitted by applicable Requirements of Law (in the case of the U.S. Hold Separate Order, as such Requirements of Law are modified as it relates to Aleris Rolled Products, Inc. and/or the

other U.S. Subsidiaries of Aleris pursuant to a U.S. Hold Separate Agreement), be absolute and unconditional in respect of the full amount of such obligations without giving effect to any such deemed reduction.

Section 11.28 NO ORAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

Section 11.29 Collateral Matters. The Lenders irrevocably agree:

(a) that the Collateral Agent is authorized to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document, (i) at the time the property subject to such Lien is pledged pursuant to Section 6.02(n)(x) or Section 6.02(n)(y) (but solely to the extent such property consists of Revolving Credit Priority Collateral and Hedging Agreements related to the value of such Revolving Credit Priority Collateral) or sold, leased, licensed, consigned, transferred or otherwise disposed of as part of or in connection with any Asset Sale permitted under Section 6.06 to any Person other than a Loan Party (provided that no Lien shall be released in any Series of Cash Neutral Transactions) (or, if such transferee is a Loan Party, the Collateral Agent is authorized to release such Lien on such asset in connection with the transfer as provided in the second to last sentence of this Section 11.29(a) or so long as (w) except as permitted by Section 6.06(q) or Section 6.06(s), the transferee grants a new Lien to the Collateral Agent on such asset substantially concurrently with the transfer of such asset, (x) the transfer is between parties organized under the laws of different countries, (y) the priority of the new Lien is the same as that of the original Lien and (z) the Liens on such property held by or on behalf of the holders of Indebtedness under the Revolving Credit Loan Documents or any Permitted Revolving Credit Facility Refinancing, Permitted First Priority Refinancing Debt, Permitted Second Priority Refinancing Debt, Additional Senior Secured Indebtedness and Junior Secured Indebtedness are also released), (ii) subject to Section 11.02, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other number of Lenders whose consent is required under Section 11.02), (iii) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guarantee pursuant to Section 7.09(a), (b) and (c), (iv) upon termination of all Commitments and the repayment in full of all outstanding principal and accrued interest with respect to the Loans, all Fees and other Obligations, (v) in connection with the grant of Liens permitted hereunder under Section 6.02(k) and subject to the Intercreditor Agreement, if the applicable Loan Party grants a Lien to the Collateral Agent or for the benefit of the Collateral Agent in a manner reasonably satisfactory to the Collateral Agent, substantially concurrently with the release of such asset, to the extent such release or termination and re-grant is necessary or advisable under applicable law, and (vi) to the extent such property is Excluded Property. Notwithstanding anything to the contrary above, if Intellectual Property or Real Property (and related fixtures) that constitutes Collateral is transferred pursuant to a transaction permitted by the Loan Documents from a Loan Party to another Loan Party (other than AV Minerals or Holdings) and the applicable Intellectual Property or Real Property filing office requires the release of the existing Lien in favor of the Collateral Agent prior to reflecting the transfer in the register, then the Collateral Agent shall be permitted, without the consent of any Lender or any other Person, to release its Lien in respect of such Intellectual Property or Real Property (and related fixtures) in order to effect such transfer so long as (i) the Transfer Conditions are satisfied at the time of such transfer and the Designated Company shall have certified the same to the Administrative Agent and the Collateral Agent, (ii) substantially concurrently with the effectiveness of such transfer, such Intellectual Property and/or Real Property is pledged to the Collateral Agent to secure the Obligations on terms substantially the same as the pledge that is released by the Collateral Agent, (iii) the priority of the new Lien in favor of the Collateral Agent, whether pursuant to the Intercreditor Agreement or

otherwise, is the same as that of the original Lien, and (iv) the Liens on such Intellectual Property or Real Property (and related fixtures) in favor of holders of Indebtedness under the Revolving Credit Loan Documents or any Permitted Refinancing of any Indebtedness under the Revolving Credit Agreement, Permitted First Priority Refinancing Debt, Permitted Second Priority Refinancing Debt, Additional Senior Secured Indebtedness and Junior Secured Indebtedness are also released substantially concurrently with the release granted by the Collateral Agent. Notwithstanding the foregoing, where Intellectual Property and Real Property (and related fixtures) can be transferred pursuant to an assignment and assumption or similar agreement in a manner that would avoid the need to release the Liens in favor of the Collateral Agent as described in the preceding sentence, then the Loan Parties shall effect such transfer pursuant to an assignment and assumption or similar agreement.

(b) that the Collateral Agent is authorized to release or subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(i), to the extent required by the terms of the obligations secured by such Liens;

(c) that the Collateral Agent is authorized to release any Lien on the Specified Restricted Joint Owned Patents; and

(ed) Notwithstanding any other provision of this Agreement or any other Loan Document to the contrary, the Administrative Agent may in its discretion, and shall at the direction of the Required Lenders, release any or all of the Mortgaged Properties located in the United States from the applicable Mortgages if the Administrative Agent has, or the Required Lenders have, reasonably determined that being secured by any such Mortgaged Properties or holding any of such Mortgages could be detrimental to the Administrative Agent or the Lenders, and so long as the Administrative Agent shall have given the Designated Company written notice at least 5 days prior to any such release; provided, however, the Administrative Agent shall not be required to give any such prior notice to the Designated Company if the Administrative Agent, in its discretion, has determined that delay of such release would be detrimental to the Administrative Agent or the Lenders.

Each Lender irrevocably authorizes the Collateral Agent to, at each Co-Borrower's expense, execute and deliver documents to authorize the release or subordination of such items of Collateral from the Liens granted under the Security Documents, in each case in accordance with the terms of the Loan Documents and this Section 11.29.

Section 11.30 Electronic Execution of Assignments and Certain other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including, without limitation, Assignment and Assumptions, amendments or other modifications, waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Requirements of Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

Section 11.31 Payments Set Aside. To the extent that any payment by or on behalf of any Loan Party is made to any Agent or any Lender, or any Agent or any Lender exercises its right of

setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agents upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agents, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Interbank Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 11.32 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

Solely to the extent any Lender or any Agent that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or any Agent that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or any Agent that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 11.33 Lender Consents and Acknowledgements

(a) On the Closing Date, the Designated Company hereby represents and warrants to the Secured Parties that the value of the property granted in favor of the Revolving Credit Agent, on behalf of the Revolving Credit Claimholders (as defined in the Intercreditor Agreement) and the “Secured Parties” under and as defined in the Existing Credit Agreement, pursuant to (i) that certain Pledge Agreement Over Account, dated December 17, 2010, by and between Novelis Italia S.p.A., as pledgor, Deutsche Bank S.p.A., as depository bank, and the Revolving Credit Collateral Agent and (ii) that certain Pledge of Receivables (*acte de nantissement de créances*), dated December 17, 2010, by and among Novelis PAE S.A.S., as pledgor, and the Revolving Collateral Agent as the French Collateral Agent and beneficiary, does not, and would not, if pledged, represent a material portion of the Collateral (such property, the “Specified Immaterial Property”). In reliance upon the foregoing representation, each Secured Party, by becoming a Party or by receiving the benefit of the terms hereof or of the other Loan Documents, hereby

agrees that, except as provided in clause (d) of the definition of Excluded Property and Section 5.11, (x) the Specified Immaterial Property shall constitute Excluded Property, (y) the Loan Documents shall not grant Liens over the Specified Immaterial Property, and (z) the Liens granted pursuant to the documents described in clauses (i) and (ii) above shall not secure the Secured Obligations. The Administrative Agent and the Collateral Agent are authorized and are hereby directed by the Lenders to take all actions necessary to acknowledge or otherwise implement the foregoing.

(b) On the Closing Date, the Designated Company has determined in its reasonable discretion that (i) the restrictions under Korean law applicable to providing upstream guarantees, including those laws that would potentially subject the directors of NKL to civil and criminal liability for acting to benefit a third party, constitute the equivalent of a prohibition under Requirements of Law of NKL becoming a Subsidiary Guarantor and executing any Security Documents creating and granting a pledge over its property pursuant to Section 5.11(b)(ii) and (ii) the costs associated with causing Novelis Vietnam Company Limited to become a Subsidiary Guarantor and to execute any Security Documents creating and granting a pledge over its property pursuant to Section 5.11(b)(ii), are, in each case, in light of the restrictions on, and cost of, creating and enforcing such guarantees under the applicable Requirements of Law, excessive in relation to the benefits that the Secured Parties would obtain. In reliance upon the foregoing, each Secured Party, by becoming a Party or by receiving the benefit of the terms hereof or of the other Loan Documents, hereby acknowledges that, as of the Closing Date, NKL and Novelis Vietnam Company Limited shall not be required to become a Subsidiary Guarantor or execute any Security Documents creating or granting a pledge over their respective property in favor of the Collateral Agent; provided that, if at any time after the Closing Date the Administrative Agent, in its reasonable discretion, determines that (x) in the case of NKL, the applicable legal restrictions no longer prohibit NKL from providing such guarantee and pledge and (y) in the case of Novelis Vietnam Company Limited, the costs of Novelis Vietnam Company Limited providing such guarantee and pledge are no longer excessive in relation to the benefits afforded thereby, then following written notice from the Administrative Agent, the Designated Company shall have 30 days (or such longer period as agreed to by the Administrative Agent) to satisfy the terms of Section 5.11(b)(ii) relating to NKL or Novelis Vietnam Company Limited, as applicable; provided, further that the Administrative Agent shall not make such determination (solely with respect to NKL) prior to NKL becoming a Wholly Owned Subsidiary of the Designated Company.

(c) Novelis do Brasil Ltda. (“**NDB**”) is a Loan Party and the owner of certain hydropower assets in Guaraciaba, State of Minas Gerais, Brazil (the “**Hydropower Assets**”). NDB intends to dispose of the Hydropower Assets and, for that purpose, has formed Brecha Energetica Ltda., a special purpose limited liability company in the City of Guaraciaba, State of Minas Gerais, Brazil (“**Brecha Energetica**”), and upon receipt of regulatory approvals from Administrative Council for Economic Defense (“**CADE**”) and National Agency for Energy (“**Aneel**”) and conclusion of other measures agreed upon contractually, (i) shall transfer the Hydropower Assets to Brecha Energetica (the “**Corporate Reorganization**”) and (ii) shall sell the quotas in Brecha Energetica (the “**Quota Sale**”) to a third-party purchaser (the “**Purchaser**”) pursuant to a Quota Purchase and Sale Agreement, dated April 3, 2014 (as amended, restated, supplemented, or otherwise modified, including by a certain amendment dated February 14, 2022, which extended the term of the agreement through February 28, 2023, the “**Purchase Agreement**”). The Designated Company hereby represents and warrants to the Secured Parties that the Corporate Reorganization and the Quota Sale are permitted under this Agreement.

(d) The Designated Company has determined in its reasonable discretion that the costs associated with (x) causing NDB to pledge the quotas owned by it in Brecha Energetica in favor of the Secured Parties and to execute any Security Documents creating and granting a pledge over such quotas pursuant to Section 5.11(b)(i), and (y) causing Brecha Energetica to

become a Subsidiary Guarantor and to execute any Security Documents creating and granting a pledge over its property pursuant to Section 5.11(b)(ii) are, in light of the binding commitment to effect the Quota Sale pursuant to the terms of the Purchase Agreement, excessive in relation to the benefits that the Secured Parties would obtain. In reliance upon the foregoing, each Secured Party, by becoming a Party or by receiving the benefit of the terms hereof or of the other Loan Documents, hereby acknowledges that, as of the Closing Date, NDB shall not be required to (A) pledge the quotas that it owns in Brecha Energetica to the Secured Parties or execute any Security Documents creating or granting a pledge over such quotas in favor of the Collateral Agent, and (B) Brecha Energetica shall not be required to become a Subsidiary Guarantor or execute any Security Documents creating or granting a pledge over its respective property in favor of the Collateral Agent; provided that, in the case of clauses (A) and (B), if at any time after the Closing Date, the Administrative Agent, in its reasonable discretion, determines that the costs of either such guarantee and pledge are no longer excessive in relation to the benefits afforded thereby, then following written notice from the Administrative Agent, the Designated Company shall have 30 days (or such longer period as agreed to by the Administrative Agent) to satisfy the terms of Section 5.11(b)(i) and/or Section 5.11(b)(ii), as applicable. The Designated Company shall provide the Administrative Agent with prompt written notice of (i) termination of the Purchase Agreement, (ii) the occurrence of any event which, in the Administrative Agent's reasonable judgment, would make the Purchaser or NDB, as applicable, unable to satisfy any of the conditions precedent to closing set forth in the Purchase Agreement and (iii) a final and non-appealable refusal of the CADE and Aneel to grant any regulatory consent relating to the Corporate Reorganization or the Quota Sale, in order to assist the Administrative Agent in making the determination described above.

Section 11.34 Termination. All agreements, covenants, representations, warranties, rights, duties and obligations of each Party set forth in this Agreement and each other Loan Document shall terminate in all respects at 5:00 p.m., New York City time on the Agreement Termination Date if the Closing Date has not occurred on or prior to such time. Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, the provisions of Section 2.12, Section 2.14, Section 2.15, Section 2.16, Section 7.10, ARTICLE X, Section 11.03, Section 11.09, Section 11.10, Section 11.18, and Section 11.19 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 11.35 Lender Authorizations. The Lenders authorize and direct (i) each of the Administrative Agent and the Collateral Agent to execute and deliver any Security Documents, amendments to Security Documents or amendments and restatements of Security Documents, in each case, related to any amendment to, or amendment and restatement of, the Revolving Credit Agreement; provided, that immediately after giving effect to such documents, amendments and amendments and restatements, the scope of the Collateral pledged is no less than the Collateral pledged immediately prior to giving effect to such documents, amendments and amendments and restatements and (ii) in connection with the NKL Share Repurchase, the Collateral Agent to return any share certificates representing Equity Interests in NKL and sign any documentation required to give effect to the NKL Share Repurchase; provided, that after giving effect to the NKL Share Repurchase, certificates representing 100% of the Equity Interests in NKL held by Loan Parties are promptly delivered to the Collateral Agent or its counsel along with such other documentation required to pledge such Equity Interests to the Collateral Agent.

Section 11.36 Dutch Parallel Debt in Relation to the Dutch Security Agreements. For the purpose of any Dutch Security Agreements and all security interests created thereunder:

(a) In this Section 11.36: “**Dutch Corresponding Debt**” shall mean all Secured Obligations of a Loan Party but excluding its Dutch Parallel Debt:

(b) Notwithstanding any other provision of this Agreement or any other Loan Document, each Loan Party hereby irrevocably and unconditionally undertakes insofar as necessary, in advance, to pay to the Collateral Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Loan Party to each of the Secured Parties as Dutch Corresponding Debt and when that amount falls due for payment under the relevant Loan Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps to preserve its entitlement to be paid that amount (such payment undertakings, obligations and liabilities which are the result thereof, hereinafter referred to as the “**Dutch Parallel Debt**”).

(c) The Collateral Agent shall have its own independent right to demand payment of the amounts payable by each Loan Party under this Section 11.36, irrespective of any discharge of such Loan Party’s obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps to preserve their entitlement to be paid those amounts. For the purpose of this Section 11.36 the Collateral Agent acts in its own name and not as agent, representative or trustee of the Secured Parties and accordingly hold neither its claim resulting from a Dutch Parallel Debt nor any security interests granted by the Security Documents securing a Dutch Parallel Debt on trust.

(d) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.36 shall be increased to the extent the Dutch Corresponding Debt is increase and shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the Dutch Corresponding Debt and any part of the Dutch Corresponding Debt payable by a Loan Party shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the Dutch Parallel Debt.

(e) The Collateral Agent shall apply any amounts received in payment of any Dutch Parallel Debt in accordance with the terms and conditions of this Agreement governing the application of proceeds in payment of any Secured Obligations.

The rights of the Secured Parties (other than any Dutch Parallel Debt) to receive payment of the Dutch Corresponding Debt by each Loan Party are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.36.

Section 11.37 Special Appointment of Collateral Agent in Relation to Belgium. For the purpose of any Belgian Security Agreements and all security interests created thereunder, each Secured Party:

(a) appoints the Collateral Agent as its representative in accordance with (a) Article 5 of the Belgian Act of 15 December 2004 on financial collateral arrangements and several tax dispositions in relation to security collateral arrangements and loans of financial instruments; and (b) Article 3 of Book III, Title XVII of the Belgian Civil Code, which appointment is hereby accepted; and

(b) agrees that the Collateral Agent shall not be severally and jointly liable with the Secured Parties.

Section 11.38 Lender Exculpation. Nothing in this Agreement shall oblige any Lender to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any Requirement of Law or a breach of a fiduciary duty or duty of confidentiality.

Section 11.39 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or

any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.39, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Annex II

Post-Closing Covenants

Reference is made to that certain Amendment No. 7 to Credit Agreement, dated as of March 31, 2023 (the “**Amendment**”), among Novelis Inc., as Borrower, AV Minerals (Netherlands) N.V., as Holdings, the other Loan Parties party thereto, Novelis Italia S.p.A., as Third Party Security Provider, the Lenders party thereto and Standard Chartered Bank, as Administrative Agent and as Collateral Agent. Capitalized terms used but not defined herein shall have the meaning attributed thereto in the Amendment or the Amended Credit Agreement (as defined in the Amendment), as applicable. Notwithstanding anything to the contrary in the Amendment or the Amended Credit Agreement or in any other Loan Document, to the extent not delivered on the Amendment Effective Date, each applicable Loan Party shall perform the obligations set forth below, as soon as commercially reasonable, but in no event later than the date specified after the Amendment Effective Date applicable to each item set forth below.

1. BRAZIL

- (a) Within 20 days (or such longer period as may be agreed to by the Administrative Agent), the execution by Novelis do Brasil Ltda. and the Collateral Agent, through its Designated Attorneys, (and by Novelis Inc., in case of the document described in item (ii) below) of each of the following documents:
 - (i) a reaffirmation of first demand guarantee agreement governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “First Demand Guarantee Agreement”),
 - (ii) a third amendment to the quota pledge agreement governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “Third Amendment to the Quota Pledge Agreement”),
 - (iii) a third amendment to the receivables pledge agreement governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “Third Amendment to Receivables Pledge Agreement”),
 - (iv) a third amendment to the accounts pledge agreement governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “Third Amendment to the Accounts Pledge Agreement”),
 - (v) a third amendment to the equipment and inventory pledge agreement governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “Third Amendment to the Equipment and Inventory Pledge Agreement”), and
 - (vi) a third amendment to the mortgage deed governed by the laws of Brazil, securing the Secured Obligations, entered into pursuant to the terms of this
-

Agreement and in form and substance reasonably satisfactory to the Collateral Agent (the “Third Amendment to the Mortgage Deed”).

- (b) Within 20 days following the execution of the documents in item 1(a)(i) to 1(a)(v) above (or such longer period as may be agreed to by the Collateral Agent), Novelis do Brasil Ltda. shall obtain the sworn translation into Portuguese and registration before the competent Registry of Deeds and Documents of each of the following:
 - (i) the First Demand Guarantee Agreement,
 - (ii) the Third Amendment to the Quota Pledge Agreement,
 - (iii) the Third Amendment to Receivables Pledge Agreement,
 - (iv) the Third Amendment to the Accounts Pledge Agreement, and
 - (v) the Third Amendment to the Equipment and Inventory Pledge Agreement.
- (c) Within 30 days following the later of (i) receipt by Novelis do Brasil Ltda. of the sworn translated and registered Power of Attorney entered into by the Collateral Agent granting powers for attorneys-in-fact in Brazil to execute the documents in item 1(a) above on behalf of the Collateral Agent; and (ii) execution of the Third Amendment to the Equipment and Inventory Pledge Agreement (or such longer period as may be agreed to by the Collateral Agent), Novelis do Brasil Ltda. shall obtain registration before the competent Registries of Real Estate of the Third Amendment to the Equipment and Inventory Pledge Agreement, unless otherwise provided in such document.
- (d) Within 30 days following the date Novelis do Brasil Ltda. receives sufficient originals of the Third Amendment to the Mortgage Deed, Novelis do Brasil Ltda. shall obtain the registration of the same before the competent Registries of Real Estate (unless otherwise provided in such document).
- (e) At the time of execution of the documents in item 1(a) above, Novelis do Brasil Ltda. shall deliver a favorable written opinion of Brazilian counsel and addressed to the Agents and the Lenders, covering such matters relating to the documents described in item 1(a) as the Administrative Agent shall reasonably request.

2. FRANCE

- (a) Within 90 days (or such longer period as may be agreed to by the Administrative Agent), registration of filings in the appropriate filing offices in relation to the following security documents:
 - (i) Business Pledge Agreement (nantissement de fonds de commerce): 10th ranking / 7th ranking / 6th ranking and 4th ranking, and
 - (ii) Inventory Pledge Agreement (gage sans dépossession): 10th ranking / 7th ranking / 6th ranking and 4th ranking.
-

3. ITALY

- (a) Within 30 days (or such longer period as may be agreed to by the Administrative Agent), execution and delivery of:
- (i) a Deed of Acknowledgment and Amendment of pledge over the shares of Novelis Italia S.p.A. (the “Deed”) in form and substance reasonably satisfactory to the Collateral Agent,
 - (ii) a Legal Opinion in relation to the Deed addressed to the Agents and the Lenders, covering the enforceability of the Deed and other such matters relating to the Deed as the Administrative Agent shall reasonably request,
 - (iii) a Legal Opinion in relation to the Deed addressed to the Agents and the Lenders, covering the powers and capacity of Novelis Deutschland GmbH to enter into the Deed and other such matters relating to the Deed as the Administrative Agent shall reasonably request, and
 - (iv) a Legal Opinion in relation to the Deed addressed to the Agents and the Lenders, covering the powers and capacity of Novelis Europe Holdings Limited to enter into the Deed and other such matters relating to the Deed as the Administrative Agent shall reasonably request.
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Schedule 6.17

Fiscal Year

1. Aleris Switzerland GmbH
 2. Aleris Aluminium UK Limited
 3. Aleris Asia Pacific International (Barbados) Ltd.
 4. Novelis Aluminium Beteiligungs GmbH
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Schedule 11.29(c)

Specified Restricted Joint Owned Patents

NovelisRef	Novelis Co-Owner	Patent / InvTitle	Jurisdiction	AppNumber	PatNumber
NV0178	Novelis Inc.	IDEA FOR CONTROLLING PRF EXPANSION PROCESS WITHOUT THERMAL GRADIENT	Brazil	BR112012016997-1	BR112012016997-1
			Belgium	11732595.1	2523762
			Czechia	11732595.1	2523762
			European Patent	11732595.1	2523762
			France	11732595.1	2523762
			Germany	11732595.1	602011018467.9
			Korea, Republic of (KR)	10-2012-7019584	1486125
			The Netherlands	11732595.1	2523762
			Spain	11732595.1	2523762
			United Kingdom	11732595.1	2523762
			China	201180013612.9	102781602
			India	6150/DELNP/2012	363703
NV0178	Novelis Inc.	Methods of Pressure Forming Metal Containers and the Like From Preforms Having Wall Thickness Gradient	Italy	11732595.1	2523762
			Canada	2784851	2784851
			Japan	2012-548316	5675844
			United States of America	12/930557	8683837
NV0347	Novelis Inc.	High Strength Aluminum Alloy Fin Material and Process of Producing Same	Brazil	BR112015002412-2	BR112015002412-2
NV0347	Novelis Inc.	High Strength Aluminum Alloy Fin Material and Process of Producing Thereof	China	201380044952.7	104583433
			Germany	112013004245.2	112013004245
			Japan	2012-190397	5854954
			United States of America	14423163	10280495
			Thailand	1501001016	N/A

NovelisRef	Novelis Co-Owner	Patent / InvTitle	Jurisdiction	AppNumber	PatNumber
NV0364	Novelis Inc.	High Strength Aluminum Alloy Fin Stock for Heat Exchanger	Canada	2919662	2919662
			China	201910491513X	N/A
			Austria	14752757.6	3030685
			Belgium	14752757.6	3030685
			European Patent	14752757.6	3030685
			France	14752757.6	3030685
			Germany	14752757.6	3030685
			Italy	14752757.6	3030685
			Norway	14752757.6	3030685
			Spain	14752757.6	3030685
			Switzerland	14752757.6	3030685
			United Kingdom	14752757.6	3030685
			Japan	2016-533429	6673826
			Korea, Republic of (KR)	10-2016-7006162	101988704
			Mexico	MX/a/2016/001558	374292
NV0373	Novelis Inc.	Aluminum Alloy for Heat Exchanger Fins	Czechia	15747959.3	3177748
			European Patent	15747959.3	3177748
			France	15747959.3	3177748
			Germany	15747959.3	602015059821.0
			Italy	15747959.3	3177748
			Spain	15747959.3	3177748
			United Kingdom	15747959.3	3177748
			Japan	2017-526487	6751713
			Korea, Republic of (KR)	10-2017-7005988	10-1941380
			United States of America	17/656793	N/A
			China	201580042137.6	106574326
					ZL201580042137.6

NovelisRef	Novelis Co-Owner	Patent / InvTitle	Jurisdiction	AppNumber	PatNumber
NV0594	Novelis Inc.	Metal Surface Coatings for Improving Bond Performance and Methods of Making the Same	Canada	3146449	N/A
			Mexico	MX/a/2022/002964	N/A
			China	114423828	N/A
			Europe	3997180	N/A
			Japan	2022548271	N/A
			Korea	20220054647	N/A
			United States	US20220340763	N/A
NV0778	Novelis Inc.	Aluminum Alloys for Fluxless Brazing Applications, Methods of Making the Same, and Uses Thereof	China	Serial Number: 202080042295.2 Publication Number: 113924185	N/A
			Canada	3138936	N/A
			European Patent	Serial Number: 20724359.3 Publication Number: 3972775	N/A
			Japan	Serial Number: 2021-568913 Publication Number: 2022533827	N/A
			Korea, Republic of (KR)	Serial Number: 10-2021-7039528 Publication Number: 20220003083	N/A
			South Africa	2021/08849	N/A
			United States of America	Serial Number: 17/594957 Publication Number: US20220324065	N/A
NV1048	Novelis Inc.	Systems and Methods for Improving Resistance Spot Welding with Cast Aluminum	United States of America	63/367409	N/A

Exhibit E
Form of
INTEREST ELECTION REQUEST

Standard Chartered Bank,
as Administrative Agent
5th Floor 1 Basinghall Avenue, London, EC2V 5DD
Fax: +44207 885 9728

Attention: Manager Asset Servicing

[Date]

Re: NOVELIS

Ladies and Gentlemen:

This Interest Election Request is delivered to you pursuant to Section 2.08 of the Credit Agreement, dated as of January 10, 2017 (as amended, restated, supplemented, extended, renewed, refunded, replaced, refinanced or otherwise modified from time to time in one or more agreements, the “**Credit Agreement**”), by and among NOVELIS INC., a corporation amalgamated under the Canada Business Corporations Act, AV MINERALS (NETHERLANDS) N.V., a company organized under the laws of the Netherlands, the Subsidiary Guarantors from time to time party thereto (such term and each other capitalized term used but not defined herein having the meaning given to it in the Credit Agreement), the Lenders from time to time party thereto, Standard Chartered Bank, as Administrative Agent and as Collateral Agent, and the other parties party thereto.

The Designated Company, hereby requests that on [____]¹ (the “Interest Election Date”),

1. \$[_____] of the presently outstanding principal amount of the Term Loans [available/originally made on [_____]],
2. [and all presently being maintained as/be issued as] SOFR Loans,
3. be [established as] [continued as],
4. SOFR Loans having an Interest Period of three months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the proposed Interest Election Date, both before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the foregoing continuation complies with the terms and conditions of the Credit Agreement (including, without limitation, Section 2.08 of the Credit Agreement);
- (b) (no Default has occurred and is continuing, or would result from such proposed continuation.

[Signature Page Follows]

¹ Shall be a Business Day that is four Business Days following the date of this Interest Election Request in the case of conversion into/continuation of SOFR Loans to the extent this Interest Election Request is delivered to the Administrative Agent not later than 10:00 a.m., London time on the date hereof, otherwise the fifth Business Day following the date of delivery hereof.

The Designated Company has caused this Interest Election Request to be executed and delivered by its duly authorized officer as of the date first written above.

[____], as Designated Company

By: ____
Name:
Title:

EXHIBIT E-2

List of Subsidiaries of Novelis Inc.

Name of Entity	Jurisdiction
Aleris Asia Pacific International (Barbados) Ltd.	Barbados
Novelis do Brasil Ltda.	Brazil
Brecha Energetica Ltda	Brazil
4260848 Canada Inc.	Canada
4260856 Canada Inc.	Canada
8018227 Canada Inc.	Canada
Aleris Holding Canada ULC	Canada, Nova Scotia
Aleris (Shanghai) Trading Co., Ltd.	China
Novelis Aluminum (Zhenjiang) Co., Ltd.	China
Novelis (China) Aluminum Products Co., Ltd.	China
Novelis (Shanghai) Aluminum Trading Company	China
France Aluminium Recyclage SA	France
Novelis PAE S.A.S.	France
Novelis Casthouse Germany GmbH	Germany
Novelis Deutschland Holding GmbH	Germany
Novelis Koblenz GmbH	Germany
Novelis Deutschland GmbH	Germany
Aluminium Norf GmbH	Germany
Novelis Aluminium Beteiligungs GmbH	Germany
Deutsche Aluminium Verpackung Recycling GmbH	Germany
Novelis Sheet Ingot GmbH	Germany
Aleris Asia Pacific Limited	Hong Kong
Novelis Italia SpA	Italy
Novelis Aluminium Holding Unlimited Company	Ireland
Aleris Aluminum Japan, Ltd.	Japan
Novelis de Mexico, S.A. de C.V.	Mexico
Novelis Netherlands B.V.	Netherlands
Novelis Korea Limited	South Korea
Ulsan Aluminum Ltd.	South Korea
Aleris Switzerland GmbH	Switzerland
Novelis AG	Switzerland
Novelis Switzerland SA	Switzerland
AluInfra Services SA	Switzerland
Novelis MEA Ltd.	UAE, Dubai
Aleris Aluminum UK Limited	United Kingdom
Novelis Europe Holdings Limited	United Kingdom
Novelis UK Ltd.	United Kingdom
Novelis Services Limited	United Kingdom
Novelis ALR Aluminum Holdings Corporation	United States, Delaware
Novelis ALR International, Inc.	United States, Delaware
Novelis ALR Rolled Products, Inc.	United States, Delaware

Novelis ALR Asset Management Corporation	United States, Delaware
Novelis ALR Rolled Products, LLC	United States, Delaware
Novelis ALR Recycling of Ohio, LLC	United States, Delaware
Novelis ALR Rolled Products Sales Corporation	United States, Delaware
Novelis ALR Aluminum, LLC	United States, Delaware
Novelis ALR Aluminum-Alabama, LLC	United States, Delaware
Novelis Global Employment Organization, Inc.	United States, Delaware
Novelis South America Holdings LLC	United States, Delaware
Novelis Holdings Inc.	United States, Delaware
Novelis Services (North America) Inc.	United States, Delaware
Novelis Services (Europe) Inc.	United States, Delaware
Logan Aluminum Inc.	United States, Delaware
Novelis Corporation	United States, Texas
Novelis Vietnam Company Limited	Vietnam
Novelis Ventures LLC	United States, Delaware

Certification

I, Steven Fisher, certify that:

1. I have reviewed this Annual Report on Form 10-K of Novelis Inc. (Novelis);
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 officer(s) 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 officer(s) and I have disclosed, based on my 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.

/s/ Steven Fisher

Steven Fisher
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 10, 2023

Certification

I, Devinder Ahuja, certify that:

1. I have reviewed this Annual Report on Form 10-K of Novelis Inc. (Novelis);
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 officer(s) 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 officer(s) and I have disclosed, based on my 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.

/s/ Devinder Ahuja

Devinder Ahuja
Chief Financial Officer
(Principal Financial Officer)

Date: May 10, 2023

**Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Annual Report on Form 10-K for the period ended March 31, 2023 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ Steven Fisher

Steven Fisher

President and Chief Executive Officer

(Principal Executive Officer)

Date: May 10, 2023

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

**Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Annual Report on Form 10-K for the period ended March 31, 2023 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ Devinder Ahuja

Devinder Ahuja
Chief Financial Officer
(Principal Financial Officer)

Date: May 10, 2023

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.