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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **June 25, 2009**

NOVELIS INC.

(Exact name of registrant as specified in its charter)

Canada (State or other jurisdiction of incorporation)	001-32312 (Commission File Number)	98-0442987 (IRS Employer Identification No.)
3399 Peachtree Road NE, Suite 1500, Atlanta, GA (Address of principal executive offices)		30326 (Zip Code)

Registrant's telephone number, including area code (404) 814-4200

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Novelis Long-Term Incentive Plan for Fiscal Years 2010 – 2013

On June 25, 2009, the Board of Directors of Novelis Inc. (the "Company") approved the Novelis Long-Term Incentive Plan for Fiscal Years 2010 – 2013 (the "LTIP"). The LTIP provides for a long-term incentive opportunity for the Company's executive officers, other key managers, and certain high potential employees. The LTIP has been designed to provide a clear line of sight for participants to company performance as measured by the increase in the price of Hindalco shares. This design will promote the retention of key management and provide them with competitive remuneration, promote superior engagement and motivation, and align the personal financial interests of executives with the Company's shareholders.

The LTIP will be administered by the Human Resources team at the Novelis corporate office. Awards under the LTIP will consist of stock appreciation rights ("SARs"), with the value of one SAR equivalent to the increase in value of one Hindalco share. The SARs will vest 25% each year for four years, subject to performance criteria being fulfilled. The performance criterion will be based on Normalized Operating Earnings Before Interest, Taxes, Depreciation and Amortization ("Normalized Operating EBITDA") performance for the Company each year. The vesting threshold will be 75% performance versus target each year, at which point 75% of SAR's due that year, would vest. There would be a straight line vesting up to 100% of performance. After SARs have vested, the SARs can be exercised anytime during the seven year life of the LTIP by the employee. The upside so realized would be dependent on the stock price of Hindalco at the time of exercise; however the upside would be restricted to a maximum of 2.5 times the proportionate target opportunity if the SAR's are exercised within one year of vesting. The maximum will be 3 times for SARs exercised more than one year after vesting.

In the event a participant resigns, unvested SARs will lapse and vested SARs must be exercised within 90 days. If an employee retires more than one year from the date of grant, SARs will continue to vest and must be exercised no later than the third anniversary of retirement. In the event of death or disability, there will be immediate vesting of all SARs with one year to exercise. Upon a change in control, there would be immediate vesting and cash-out of SARs.

The LTIP target amounts for our principal executive officer, principal financial officer, and our named executive officers will be determined on or before July 15, 2009. The target amounts will be provided in an amendment to this 8-K upon being finalized. A copy of the LTIP is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Novelis Annual Incentive Plan for Fiscal Year 2010

On June 25, 2009, the Board of Directors of the Company also approved the Novelis Annual Incentive Plan for Fiscal Year 2010 (the "AIP") to provide short-term incentives for the period from April 1, 2009 to March 31, 2010. The performance benchmarks for the year are tied to four key components: (1) Normalized Operating EBITDA performance; (2) operating free

cash flow performance; (3) satisfaction of certain Environment, Health and Safety (“EHS”) improvement targets, and (4) individual performance. The specific weightings among these three components are 40% for Normalized Operating EBITDA performance; 40% for operating free cash flow performance; 10% for EHS targets, and 10% for individual performance. For Messrs. Martens and Fisher, the incentive benchmarks are tied to company-wide performance. For the other named executive officers who are regional presidents, Messrs. Germain and Walpole, the incentive benchmarks are based 50% on the performance of the specific region for which they are responsible and 50% on the company-wide results.

A threshold of 60% of the overall Normalized Operating EBITDA target is required to be met before any payouts will occur on overall or regional Normalized Operating EBITDA, operating free cash flow performance, or for any individual performance payouts. Only the EHS portion of AIP could be earned if this 60% threshold is not met. The potential payout attributable to Normalized Operating EBITDA could range from (1) 0% of target if fiscal 2010 performance does not exceed the performance threshold, (2) 100% of target if fiscal 2010 results meet the business plan target and (3) up to a maximum of 200% of target if fiscal 2010 results meet or exceed the high end business plan target. The potential payout attributable to operating free cash flow could range from (1) 0% of target if fiscal 2010 performance does not exceed the performance threshold, (2) 100% of target if fiscal 2010 results meet the business plan target and (3) up to 200% of target if fiscal 2010 results meet or exceed the high end business plan target. The potential payout attributable to EHS objectives also ranges from 0% to 200% of target and will be measured against continuous improvement targets for recordable cases and lost time injuries and illness as well as the completion of strategic EHS initiatives. The potential payout attributable to individual performance also ranges from 0% to 200% of target and will be measured against personal performance goals.

If an executive retires during the course of the year, the executive will be eligible to receive a payout under the plan on a pro-rata basis. Such payout, if any, will be made at the time that it is done for all other employees. If an executive terminates as the result of a company initiated separation that is the result of a position elimination that is not performance related (for example, a layoff, plant closure, restructuring or sale), the employee will be eligible for prorated incentive consideration at the time that consideration is being given to all other employees. In the event of separation on account of resignation (initiated by the employee) or company initiated separation during the performance year, the concerned individual will not be entitled to any AIP for the year unless the separation occurs after the performance year, but before the timing of payout, in which case the executive shall be entitled to consideration at the time that consideration is being given to all other employees, subject to business and individual performance.

The AIP target amounts for our principal executive officer, principal financial officer, and our named executive officers will be determined on or before July 15, 2009. The target amounts will be provided in an amendment to this 8-K upon being finalized. A copy of the AIP is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Change in Control Agreements

On June 25, 2009, the Board of Directors of the Company also approved a form Change in Control Agreement (“CIC Agreement”) for the principal financial officer and the other named

executive officers. The CIC Agreement will terminate upon the earlier of (i) June 15, 2011, unless a change in control event occurs on or before such date, or (ii) 24 months following the date of a change in control event. Pursuant to the CIC Agreement, the executives will be entitled to the following payments if the Company terminates their employment other than for cause, or if they resign for good reason, within 24 months after a change in control event:

(a) a lump sum cash amount equal to two times the sum of (1) their annual base salary plus (2) their target short term incentive opportunity for the fiscal year in which the change in control occurs; the lump sum cash amount will be reduced by the amount of severance payments, if any, paid or payable to them other than pursuant to the CIC Agreement to avoid duplication of payments; and

(b) other benefits described in the CIC Agreement for up to 12 months including a lump sum payment to assist them with post-employment medical continuation coverage, life insurance benefits, and retirement benefits.

Additionally, the executive's right to receive the compensation and benefits under the CIC Agreement shall be subject to the execution of a waiver of claims by the executive, a non-compete agreement and a non-solicitation agreement. Such payments shall not be made if their employment terminates because of death, disability, or retirement. A copy of the form CIC Agreement is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

Severance Agreements

On June 25, 2009, the Board of Directors of the Company also approved a form Severance Compensation Agreement ("Severance Agreement") for the principal financial officer and the other named executive officers. Pursuant to the terms of the form Severance Agreement, the executives will be entitled to receive eighteen months annual base salary (less any other severance payments) as severance pay if they are terminated involuntarily except for cause, death, disability, or retirement. Other severance benefits described in the Severance Agreement include a twelve month lump sum payment to assist them with post-employment medical continuation coverage, as well as life insurance benefits and retirement benefits for up to 12 months.

The Severance Agreement also contains a non-competition provision, prohibiting the executive from competing with the Company during their employment and for a period of 18 months thereafter. Additionally, the Severance Agreement contains a non-solicitation provision that limits the executives from soliciting (a) the Company's customers and suppliers or (b) its employees during their employment and for a period of 18 months after separation. The Severance Agreement also contains a confidentiality provision whereby the executives agree not to disclose any confidential or trade secret information, except as required by law. A copy of the form Severance Agreement is attached hereto as Exhibit 10.4 and is incorporated herein by reference.

Retention Program

On June 25, 2009, the Board of Directors of the Company also approved a retention program for the principal financial officer and the other named executive officers. Pursuant to the program, the level of retention opportunity is set at one-times the executive's current base salary and will be paid over three years on July 1, 2010; July 1, 2011; and July 1, 2012. Should the executive terminate voluntarily or be terminated for cause prior to July 1, 2012, any amounts paid under this program would need to be repaid.

Only half the retention opportunity will be paid in the form of annual cash payments. The remaining half of the opportunity will be paid in the form of phantom Hindalco Restricted Shares. On July 1, 2009, the participants will receive a grant of phantom Hindalco Restricted Shares with a current market value of 80% of the total cash opportunity. These phantom Hindalco Restricted Shares will vest on July 1, 2012 and the executive will have a one-time opportunity to receive cash for the phantom shares at a time of their choice between July 1, 2012 and June 30, 2013. The value of the shares at the time of the election would be the then current market price with an upside limit of twice the original value. The share opportunity will be denominated in US dollars.

The following table presents the retention opportunities for our principal financial officer and our named executive officers.

<u>Executive</u>	<u>Retention Opportunity</u>
Steve Fisher	\$ 405,000
Jean-Marc Germain	\$ 292,500
Thomas Walpole, President Asia	\$ 256,500

Agreement with Arnaud deWeert

On June 26, 2009, the Company entered into a termination of employment agreement (the "Agreement") with the Company's former President, Novelis Europe, Arnaud deWeert, regarding the terms of his departure from the Company.

Pursuant to the Agreement, the employment relationship will terminate on August 31, 2009. The Company will continue to pay Mr. deWeert's base salary until the effective date of the termination. Additionally, the Company will pay a lump sum of 435,000 Euros with the September 2009 payroll as severance, an annual incentive plan payout for FY 2009 in the gross amount of 118,857 Euros, a lump sum payment of CHF 320,000 in full settlement of all of the claims that Mr. deWeert might have in connection with his employment and it's termination including and claims that Mr. deWeert might have under any annual or long term incentive plan, and a lump sum payment of 30,000 Euros gross in full satisfaction of the Company's obligation to pay for his family's repatriation costs back to Belgium. The Company also agreed to release Mr. deWeert from all claims it may have against him.

In exchange for these payments, Mr. deWeert agreed to: provide continued cooperation during his transition with any pending or future litigation, proceeding or hearing; not compete with the Company until the effective date of termination; not solicit the Company's employees or customers for two years; maintain confidential information learned during his employment; and

release the Company from all claims he may have against the Company. A copy of the Agreement is attached hereto as Exhibit 10.5 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Novelis Long-Term Incentive Plan for Fiscal Years 2010 – 2013

10.2 Novelis Annual Incentive Plan for Fiscal Year 2010

10.3 Form Change in Control Agreement

10.4 Form Severance Agreement

10.5 Termination of Employment Agreement between Novelis AG and Arnaud deWeert, dated June 26, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 1, 2009

NOVELIS INC.

By: /s/ Christopher M. Courts
Christopher M. Courts
Assistant General Counsel and
Corporate Secretary

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	Novelis Long-Term Incentive Plan for Fiscal Years 2010 – 2013
10.2	Novelis Annual Incentive Plan for Fiscal Year 2010
10.3	Form Change in Control Agreement
10.4	Form Severance Agreement
10.5	Termination of Employment Agreement between Novelis AG and Arnaud deWeert, dated June 26, 2009



Novelis — Long-Term Incentive Plan (LTIP) — FY 2010 — FY 2013

Key features of the Scheme:

1. **Title and Administration:** The scheme shall be referred to as the Novelis Long-Term Incentive Plan FY 2010 — FY 2013. The scheme will be administered by the Human Resources team at the Novelis Corporate Office.
 2. **Performance Period:** For this scheme, the performance period will be FY 2010, FY 2011, FY 2012 and FY 2013. The exact period of assessment will be April 1, 2009 to March 31, 2013.
 3. **Coverage:** The coverage of this scheme will be Band 6 and above. As of now, this means that 147 Managers are entitled for coverage under this plan. High potential and critical resource employees at Band 7 and below will participate on an exception basis.
 4. **Pay Opportunity :** The target pay opportunity for each Grade will be defined based on contemporary market practices and be designed to motivate and retain key employees in the organization
 5. **Pay Design Summary :**
 - a. A work team, with representation from Hindalco HR, Novelis HR and Group HR was constituted to put together a work design for LTIP FY2010-13
 - b. The work team has proposed a design that is based on the price movement of Hindalco shares
 - c. The pay opportunity will be in the form of Stock Appreciation Rights (SAR's) with the value of one SAR equivalent to increase in price of one Hindalco share.
 - d. The SARs would vest 25% each year for 4 years, subject to performance criteria being fulfilled.
 - e. The performance criterion for vesting is actual vs. target performance of Normalized Operating EBITDA for Overall Novelis as approved each year
 - f. The threshold would be 75% performance of target each year, at which point 75% of SARs due that year, would vest — there would be straight line vesting up to 100%
 - g. Vested SARs could be exercised at any time during the seven-year life of the plan by the employee.
 - h. The value of the SARS is dependent on the share price of Hindalco at the time of exercise
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- i. Cash payouts will be restricted to a maximum of 2.5 times target if exercised within one year of vesting.
 - j. Cash payouts will be restricted to a maximum of 3 times target if exercised after first year
6. **Measures to be used for vesting of SAR's as part of the LTIP:** For FY 2010 — FY 2013, the SAR's will vest subject to the actual v/s target Operating EBITDA threshold being met. Normalized Operating EBITDA has been defined as under :
- a. Normalized Operating EBITDA: Defined as Net Revenues — COGS without depreciation — S&AE — R&D + Realized G/L on Derivatives. A manual documenting how to calculate EBITDA and various adjustments to be made to the measure will be created and agreed upon with Novelis and Hindalco executive management. A Committee comprised of the Novelis President, the Novelis CFO and the Hindalco CFO will consider any situations not addressed in the manual, such as major acquisitions, divestitures and restructuring and will recommend any adjustments to the Vice Chairman Novelis for approval or further consideration by the appropriate authority.
7. **Example of Computation of number of SAR's for the purpose of Grant:** The computation of SAR's will be as explained in the following example.
- a. Target Dollar Opportunity / (Black-Scholes Value [Indian Equivalent] x current Hindalco share price) = # of Stock Appreciation Rights (SARs)
 - b. Example:
 - i. Participant is a Band 3
 - ii. Target Opportunity is \$129,000
 - iii. Assume Black Scholes value is 40%
 - iv. Assume Hindalco share price on grant date is 200 Rupees and converts to \$5.00 per share (assumes exchange rate of US\$1=INR40)
 - v. $\$129,000 / (40\% \times \$5.00) = 64,500$ SARs priced at 200 Rupees each
 - vi. Subject to vesting rules and cap on payout- participant is entitled to the gain in the market value of Hindalco shares with each SAR representing the opportunity on one Hindalco share
8. **Other aspects of the plan:**
- a. Valuation: The Black Scholes method of valuation will be used. This valuation will be used as an input to arrive at the number of SAR's to be granted to employees.
 - b. Date of Grant: The SAR's are proposed to be granted on the date of approval from the Board i.e. June 25, 2009

- c. An individual will be entitled to participate in the LTIP for FY 2010 — FY 2013 if actively employed no later than June 1, 2009. Employees hired during FY 2010, are proposed to be treated in the following manner :
 - i. For those who join between June — September, target opportunity to be 90% of the target amount for the Grade
 - ii. For those who join between October — December, target opportunity to be 75% of the target amount for the Grade
 - iii. For those who join between January — March, target opportunity to be 50% of the target amount for the Grade
- d. It is not proposed to revise the LTIP Opportunity for existing employees in the event of a grade change during the year, except in case of employees who had not been covered under the plan earlier and then move to a role that is Band 6 or above during the course of the year.
- e. In the event of separation on account of resignation initiated by the employee, any unvested SAR's will lapse and vested SAR's have to be exercised within 90 days.
- f. In the event of retirement, more than one grant from grant date, SAR's will continue to vest and must be exercised no later than the 3rd anniversary following retirement.
- g. In the event of death or disability, there will be immediate vesting of all SAR's with one year to exercise.
- h. Upon change in control being triggered, there would be immediate vesting and cashout of all SAR's.



Novelis — Annual Incentive Plan — 2009-10

Key features of the Scheme:

1. **Title and Administration:** The scheme shall be referred to as the Novelis Annual Incentive Plan (N-AIP) 2009-10). The scheme will be administered by the Human Resources team at Corporate Office, Novelis.
 2. **Performance Year:** For this scheme, the performance year will be 2009-10. The exact period of assessment will be April 1, 2009 to March 31, 2010. Payouts, computed on the basis of performance, will be effected in July 2010, subject to necessary approvals.
 3. **Coverage:** The coverage of this scheme will be Grade 38 (or the equivalent job bands) and above. As of now, this will cover 152 Managers. Employees at Grade 37 and below will be governed by local schemes in the respective locations.
 4. **Pay Opportunity :** The pay opportunity across regions will be in line with market practice and defined to be competitive, self funded and motivate employees to drive the desired behavior in the organization.
 5. **Measures and application of weights to each measure to be used for computation of AIP:** For 2009-10, four measures shall be used to compute the eligibility of AIP. These measures will be applied at two levels: **Overall Novelis Performance and Regional Novelis Performance.** The four measures to be used for 2008-09 are as follows :
 - a. Normalized Operating EBITDA: Defined as Net Revenues – COGS without depreciation – S&AE – R&D + Realized G/L on Derivatives. **This will carry a 40% weightage on the overall plan.**
 - b. Operating Free Cash Flow: Defined as Operating EBITDA — CAPEX - Change in Working Capital — Change in Deferred Items. In terms of specifics, the measure of operating free
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cash flow will be used for the regions and Free Cash Flow (FCF) [which includes interest, tax, dividends and corporate costs] will be used for overall Novelis performance. **This will carry a 40% weightage on the overall plan.**

- c. Environment , Health and Safety : This has 3 sub-parameters :
 - i. Recordable Case Rate: Workplace accident resulting in an injury requiring more than first aid treatment. **This will carry a 3% weightage on the overall plan.**
 - ii. LTII Case rate: Workplace injury or illnesses resulting in lost time of one shift or more. **This will carry a 3% weightage on the overall plan.**
 - iii. Completed Strategic EHS Initiatives: Environmental initiatives that lead to significant reductions in water, emissions, energy or waste aligned with the site's significant environmental aspects or ongoing cases of non-compliance. OHS initiatives based on the site's significant OHS risk and exposure. All initiatives are pre-approved and tracked in a database. **This will carry a 4% weightage on the overall plan.**
- d. **Individual Performance : This is based on the individual performance rating in the Performance Management System for Novelis. This will carry a 10% weightage in the overall plan**

6. Proposed mix of business performance impact: Different levels and roles will carry a differential weightage on the basis of line of sight and impact. Some of the weightings will be as follows :

- a. All Corporate Staff Grade 38 and above (wherever they may be placed on the revised job banding model) are 100% based on overall Novelis results.
- b. Region Presidents are 50% overall Novelis performance and 50% on Region performance.
- c. Business Unit heads and major function heads may also be 50% overall Novelis performance and 50% on Region performance or 40% overall Novelis and 60% Region. This coverage will be communicated to individuals in advance.
- d. All other Region Staff grades 38 and above are 20% overall Novelis and 80% Region
- e. Employees below grade 38 in the Corporate office or a Region office would be most closely linked to overall Novelis results (Corporate staff) or Region results (Region staff)

Note: EHS results are not split; corporate staff are 100% overall Novelis and Region Staff are 100% Region.

7. **Performance Measures and Targets for 2009-10** : The performance measures and targets for 2009-10 for Novelis as well as each of the regions will be as approved by the Board for FY2010.
8. **Overall Threshold** : The concept of the overall threshold is being introduced for the first time in Novelis. Under this overall threshold, an achievement of 60% of the overall Normalized Operating EBITDA target is required to be met, for any payouts on overall or Region EBITDA and Cash Flow performance, and, for any individual performance payouts. Only the EHS portion of AIP could be earned if this threshold is not met
9. **Example of Computation:** Computation of quantum is contingent on the threshold number being achieved either at Overall Novelis level or at the region level. E.g.: Suppose any particular region is “disappointing” on EBITDA and Free Cash flow numbers, and on Target for EHS Performance, whereas the performance is “Superior” for overall Novelis performance for EBITDA and Free Cash flow and on target for EHS Performance. In such case, the Region President with a 50% weightage on business and 50% weightage on Novelis performance will forego his AIP that is linked to Region performance, earn his AIP on target for EHS but will earn 150% of target AIP on account of Novelis performance. As already referenced earlier, any payouts on account of Normalized Operating EBITDA, Cash Flow and Individual performance, are subject to the overall threshold of 60% for Normalized Operating EBITDA being met.

There will be instances wherein the actual performance on all or any of the parameters falls in-between any two performance points (e.g. higher than “Target”, but lower than “Superior”). In such case, the calculation of performance, will be on a linear scale, between the two performance points.

10. Other aspects of the plan :

- a. An individual will be entitled to prorated AIP if he / she superannuates during the course of the year, on a pro-rata basis. Such payouts will be made at the time that it is done for all other employees (i.e. in July 2010).
- b. In the event of separation on account of resignation (initiated by the employee) or company initiated separation during the performance year, the concerned individual will not be entitled to any AIP for the year. However, if the company initiated separation is the result of a position elimination that is not performance related (for example a layoff, plant closure, restructuring or sale), the employee will be eligible for prorated incentive consideration at the time that consideration is being given to all other employees
- c. However, if any event as described in (b) occurs after the performance year, but before the timing of payout, such individual shall be entitled to AIP for the entire year.

CHANGE IN CONTROL AGREEMENT

This Agreement is effective as of the date it is signed by both Novelis Inc., a Canadian corporation (the "Company"), and _____ ("Executive").

WHEREAS, the Company's Board of Directors has determined that it is in the best interest of the Company's shareholders to reinforce and encourage the continued attention and dedication of members of the Company's management, including Executive, to their assigned duties without distraction in potentially disturbing circumstances arising from the possibility of a Change in Control; and

WHEREAS, this Agreement sets forth the payments and other benefits to which Executive will be entitled upon certain conditions if Executive's employment with the Company terminates.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth below, it is hereby agreed as follows:

1. Term. This Agreement shall terminate, except to the extent that any obligation of the Company hereunder remains unpaid as of such time, upon the earlier of:

- (a) June 15, 2011, unless a Change in Control occurs on or before such date; or
- (b) Twenty-four (24) months following the date of a Change in Control.

2. Payment upon Termination of Employment.

- (a) Events Giving Rise to Benefits. Executive shall be entitled to payments and other benefits as set forth in Sections 2(b) and 2(c) if the Company shall terminate Executive's employment other than for Cause, or Executive shall terminate his or her employment for Good Reason, within twenty-four (24) months after a Change in Control. Executive's right to receive compensation and benefits under this Agreement shall be subject to the terms and conditions of the Company's release from and waiver by Executive of claims, non-compete agreement and non-solicitation agreement for executive employees. No payments or benefits shall be paid pursuant to this Agreement unless Executive executes such release and waiver of claims, non-compete agreement and non-solicitation agreement. The release shall not release Executive's right to receive indemnification and defense from the Company for any claims arising out of the performance of Executive's duties on behalf of the Company. Termination of employment due to Cause,
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Death, Disability or Retirement at any time shall not give rise to any rights to compensation or benefits under this Agreement.

(b) Severance Pay. In accordance with Section 2(a) above, the Company shall pay a lump sum cash amount equal to:

$[A \times (B + C)] - D$, where

“A” equals a multiplier of 2.0:

“B” equals Executive’s annual base salary (including all amounts of such base salary that are voluntarily deferred under any qualified and non-qualified plans of the Company) determined at the rate in effect as of the date of such termination of employment;

“C” equals Executive’s target short term incentive opportunity for the fiscal year in which such Change in Control occurs; and

“D” equals the amount of severance payments, if any, paid or payable to Executive by the Company other than pursuant to this Agreement; it being expressly understood that the purpose of this deduction is to avoid any duplication of payments to Executive.

Except to the extent payment is required to be delayed pursuant to Section 2(d) below, payment shall be made by the thirtieth (30th) day following the effective date of the Executive’s termination of employment if such termination occurs after a Change in Control.

(c) Other Benefits.

(i) If Executive is not eligible for retiree medical benefits and is covered under the Company’s group health plan at the time of the termination of employment, the Company shall pay an additional lump sum cash amount for the purpose of assisting Executive with the cost of post-employment medical continuation coverage equal to: $(C \times M) / (1 - T)$, where

“C” equals the full monthly COBRA premium charged for coverage under the Company’s group medical plan at Executive’s then current level of coverage;

“M” equals twelve (12) months; and

“T” equals an assumed tax rate of 40%

Except to the extent payment is required to be delayed pursuant to Section 2(d) below, payment shall be made by the thirtieth (30th) day following the effective date of the Executive's termination of employment if such termination occurs after a Change in Control.

- (ii) To the extent available, Executive shall be entitled to continue coverage under the Company's group life plan for a period of twelve (12) months at Executive's pre-termination level of coverage.
- (iii) Executive shall be entitled to twelve (12) months of additional credit for benefit accrual and contribution allocation purposes including credit for age, service and earnings pro rated over twelve (12) months under the Company's tax-qualified and non-qualified pension, savings or other retirement plans; provided that if applicable provisions of the Code prevent payment in respect of such credit under the Company's tax-qualified plans, such payments shall be made under the Company's non-qualified plans.
- (iv) To the extent Executive is not already fully vested under the Company's tax-qualified and non-qualified retirement pension, savings and other retirement plans, Executive shall become 100% vested under such plans; provided that if applicable provisions of the Code prevent accelerated vesting under the Company's tax-qualified plans, an equivalent benefit shall be payable under the Company's non-qualified plans.
- (d) Notwithstanding the foregoing provisions of this Section 2 or any other provision in this Agreement to the contrary, if Executive is a "specified employee" within the meaning of Code Section 409A, then all payments under this Agreement shall be delayed for a period of six (6) months to the extent required by Section 409A.

3. Definitions. Except as otherwise provided under this Agreement, the following capitalized terms used within this Agreement shall have the meaning set forth below:

- (a) "Cause" means only (i) Executive's conviction of any crime (whether or not involving the Company) constituting a felony in the applicable jurisdiction; (ii) willful and material violation of the Company's policies, including, but not limited to those relating to sexual harassment and confidential information; (iii) willful

misconduct in the performance of Executive's duties for the Company; or (iv) willful and repeated failure or refusal to perform the Executive's material duties and responsibilities which is not remedied within ten (10) days after written demand from the board of directors to remedy such failure or refusal.

- (b) "Change in Control" means the first to occur of any of the following events:
- (i) any person or entity (excluding any person or entity affiliated with the Aditya Birla Group) is or becomes the beneficial owner, directly or indirectly through any parent entity of the Company or otherwise, of securities of the Company (not including in the securities beneficially owned by such person or entity any securities acquired directly from the Company or its affiliates, other than in connection with the acquisition by the Company or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or
 - (ii) the majority of the members of the Board of Directors of the Company is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or
 - (iii) the consummation of a merger or consolidation of the Company with any other entity not affiliated with the Aditya Birla Group, other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, 50% or more of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person or entity is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person or entity any securities acquired directly from the Company or its affiliates, other than in connection with

the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

- (iv) the stockholders of the Company approve a plan of complete liquidation or dissolution; or
- (v) the sale or disposition of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of its assets to a member of the Aditya Birla Group.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

For purposes of this Section, "beneficial ownership" shall be determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended

- (c) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall include such section and any comparable section or sections of any future legislation that amends, supplements or supersedes such section.
- (d) "Disability" means Executive is permanently and totally disabled and unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of twelve months.
- (e) "Good Reason" means any of the following if it shall occur without Executive's express written consent: (i) a material reduction in Executive's position, duties, reporting relationships, responsibilities, authority, or status with the Company; (ii) a material reduction in Executive's base salary and target short term and long term incentive opportunities in effect on the date hereof or as the same may be increased from time to time during the term of this Agreement; (iii) any requirement that Executive relocate more than fifty (50) miles from the area in which Executive regularly performs

his or her duties for the Company, except for required travel by Executive on the Company's business to an extent substantially consistent with Executive's normal business travel obligations; or (iv) any failure of the Company to comply with its obligations under this Agreement, in each case which is not remedied within ten (10) days after written demand by Executive to remedy such reduction or failure.

- (f) "Retirement" means Executive's voluntary retirement on or after qualifying for early or normal retirement under the applicable Company pension plan in which such Executive participates.

4. Notice of Termination. Any termination of Executive's employment for any reason shall take effect pursuant to a written notice of termination to the other party. Such notice must set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment pursuant to this Agreement. No such purported termination of employment shall be effective without such written notice of termination conforming to the requirements of this Section.

5. No Obligation to Mitigate Damages: No Effect on Other Contractual Rights.

- (a) Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as the result of employment by another employer after Executive's termination of employment, or otherwise.
- (b) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any employee benefit plan or arrangement providing retirement benefits or health, life, disability or similar welfare benefits.

6. Successor to the Company.

- (a) The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Any failure of the Company to obtain such assumption and agreement prior to the effectiveness of any

such succession or assignment shall entitle Executive to terminate Executive's employment for Good Reason.

- (b) This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him or her hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee, or if there be no such designee, to Executive's estate. The services to be provided by Executive to the Company under this Agreement are personal and are not delegable or assignable.

7. Notice. Notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, as follows:

If to the Company:

Novelis Inc.
Attn: Vice President, Human Resources
Lenox Building
3399 Peachtree Road NE, Suite 1500
Atlanta, Georgia 30326

If to Executive, to the address of Executive on the books of the Company

Another address may be used if a party has furnished a different address to the other party in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

8. Sole Agreement. This Agreement (together with any signed employment agreement) represents the entire agreement between the parties with respect to the matters contemplated herein. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

9. Validity. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

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

11. Legal Fees and Expenses. The Company shall pay all legal fees and expenses which Executive reasonably may incur as a result of the Company's contesting the validity, enforceability or Executive's interpretation of, or determinations under, this Agreement except to the extent Executive's position is frivolous or carried out in bad faith.

12. Confidential Information. Executive agrees not to disclose during the term hereof or thereafter any of the Company's confidential or trade secret information, except as required by law. Executive recognizes that Executive shall be employed in a sensitive position in which, as a result of a relationship of trust and confidence, Executive will have access to trade secrets and other highly confidential and sensitive information.

Executive further recognizes that the knowledge and information acquired by Executive concerning the Company's materials regarding employer/employee contracts, customers, pricing schedules, advertising, manuals, systems, procedures and forms represent the most vital part of the Company's business and constitute by their very nature, trade secrets and confidential knowledge and information. Executive hereby stipulates and agrees that all such information and materials shall be considered trade secrets and confidential information. If it is at any time determined that any of the information or materials identified in this Section are, in whole or in part, not entitled to protection as trade secrets, they shall nevertheless be considered and treated as confidential information in the same manner as trade secrets, to the maximum extent permitted by law. Executive further agrees that all such trade secrets or other confidential information, and any copy, extract or summary thereof, whether originated or prepared by or for Executive or otherwise coming into Executive's knowledge, possession, custody, or control, shall be and remain the exclusive property of the Company.

13. Withholding. Taxes resulting from any benefits received under this Agreement are for the account of the Executive. The Company may withhold from any benefits payable under this Agreement all applicable taxes and other amounts as shall be required pursuant to any law or governmental regulation or ruling.

14. Non-Binding Arbitration; Claim Venue. Any claim or controversy arising out of or relating to this Agreement or any breach thereof shall be subject to non-binding arbitration before either party may seek any other legal recourse. Any such arbitration shall take place in Atlanta, Georgia, in accordance with the rules of the American Arbitration Association. Each party further submits to the exclusive jurisdiction of the Georgia state courts and the United States District Court for the Middle District of Georgia (Atlanta, Georgia) and irrevocably waives, to the fullest extent permitted by law, any objections that either party may now or hereafter have to the aforesaid venue, including without limitation any claim that any such proceeding brought in either such court has been brought in an inconvenient forum, provided however, this provision shall not limit the ability of either party to enforce the other provisions of this Section.

15. Code Section 409A. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and the applicable U.S.

Treasury regulations and other interpretative guidance issued there under, including without limitation any regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any provision of the Agreement to the contrary, the Company may adopt such amendments to the Agreement or adopt other policies and procedures, or take any other actions that the Company determines is necessary or appropriate to exempt the Agreement from Section 409A and/or preserve the intended tax treatment of the benefits provided hereunder, or to comply with the requirements of Section 409A and related U.S. Treasury guidance.

16. Attachment. Except as required by law, the right to receive payments under this Agreement shall not be subject to anticipation, sale, encumbrance, charge, levy, or similar process or assignment by operation of law.

17. Waivers. Any waiver by a party or any breach of this Agreement by another party shall not be construed as a continuing waiver or as consent to any subsequent breach by the other party. Except as otherwise expressly set forth herein, no failure on the part of any party hereto to exercise and no delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

18. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

19. Governing Law. This Agreement shall be governed and construed under the laws of the State of Georgia.

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

NOVELIS INC.

By: _____

Date: _____

EXECUTIVE

By: _____

Date: _____

SEVERANCE COMPENSATION AGREEMENT

This Agreement is effective as of the date it is signed by both Novelis Inc., a Canadian corporation (the "Company"), and _____ ("Executive").

WHEREAS, the Company's Board of Directors has determined that it is in the best interest of the Company's shareholders to reinforce and encourage the continued attention and dedication of members of the Company's management, including Executive, to their assigned duties without distraction in potentially disturbing circumstances arising from the termination of Executive's employment other than for Cause; and

WHEREAS, this Agreement sets forth the payments and other benefits to which Executive will be entitled upon certain conditions if the Company terminates Executive's employment other than for Cause.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth below, it is hereby agreed as follows:

1. Severance and Other Termination Benefits

Executive shall be entitled to severance and other benefits if the Company terminates Executive's employment other than for Cause defined as follows:

"Cause" means only (i) Executive's conviction of any crime (whether or not involving the Company) constituting a felony in the applicable jurisdiction; (ii) willful and material violation of the Company's policies, including, but not limited to, those relating to sexual harassment and confidential information; (iii) willful misconduct in the performance of Executive's duties for the Company; or (iv) willful failure or refusal to perform Executive's material duties and responsibilities which is not remedied within ten (10) days after written demand from the board of directors to remedy such failure or refusal.

Executive's right to receive severance and benefits shall be subject to the terms and conditions of the Company's release from and waiver by Executive of claims, non-compete agreement and non-solicitation agreement for executive employees. No payments or benefits shall be paid unless Executive executes such release and waiver of claims, non-compete agreement and non-solicitation agreement. The release shall not release Executive's right to receive indemnification and defense from the Company for any claims arising out of the performance of Executive's duties on behalf of the Company. Termination of employment due to Cause, Death, Disability or Retirement at any time shall not give rise to any rights to compensation.

(a) Severance Pay. The Company shall pay a lump sum cash amount equal to: $[A \times (B)] - C$, where

"A" equals a multiplier of 1.5

"B" equals Executive's annual base salary (including all amounts of such base salary that are voluntarily deferred under any qualified and non-qualified plans of the Company) determined at the rate in effect as of the date of such termination of employment;

"C" equals the amount of severance payments, if any, paid or payable to Executive by the Company other than pursuant to this Agreement; it being expressly understood that the purpose of this deduction is to avoid any duplication of payments to Executive.

(b) Other Benefits.

(i) If Executive is not eligible for retiree medical benefits and is covered under the Company's group health plan at the time of Executive's termination of employment, the Company shall pay an additional lump sum cash amount for the purpose of assisting Executive with the cost of post-employment medical continuation coverage equal to: $(C \times M) / (1 - T)$, where

"C" equals the full monthly COBRA premium (or equivalent) charged for coverage under the Company's group medical plan at Executive's then current level of coverage;

"M" equals twelve (12) months; and

"T" equals an assumed tax rate of 40%.

(ii) To the extent available, Executive shall be entitled to continue coverage under the Company's group life plan for a period of twelve (12) months at Executive's pre-termination level of coverage.

(iii) Executive shall be entitled to twelve (12) months of additional credit for benefit accrual and contribution allocation purposes including credit for age, service and earnings prorated over twelve (12) months under the Company's tax-qualified and non-qualified pension, savings or other retirement plans; provided that if applicable provisions of tax code prevent payment in respect of such credit under the Company's tax-qualified plans, such payments shall be made under the Company's non-qualified plans.

(iv) To the extent Executive is not already fully vested under the Company's tax-qualified and non-qualified retirement pension, savings and other retirement plans, Executive shall become 100% vested under such plans; provided that if applicable provisions of the Code prevent accelerated vesting under the Company's tax-qualified plans, an equivalent benefit shall be payable under the Company's non-qualified plans.

Notwithstanding the foregoing provisions of this paragraph 1 or any other provision in this Agreement, if Executive is a "specified employee" within the meaning of Code Section 409A, then all payments under this Agreement shall be delayed for a period of six (6) months to the extent required by Section 409A.

Should Executive decide to voluntarily separate from the company Executive will have to give the company a three (3) month notice and will not be entitled to any of the payments in this paragraph 1.

2. Code Section 409A

To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and the applicable U.S. Treasury regulations and other interpretative guidance issued thereunder, including without limitation any regulations or other guidance that may be

issued after the effective date of this Agreement. Notwithstanding any provision of the Agreement to the contrary, the Company may adopt such amendments to the Agreement or adopt other policies and procedures, or take any other actions, that the Company determines is necessary or appropriate to exempt the Agreement from Section 409A and/or preserve the intended tax treatment of the benefits provided hereunder, or to comply with the requirements of Section 409A and related U.S. Treasury guidance, as long as such changes do not reduce the overall compensation.

3. Confidential Information.

Executive agrees not to disclose during the term hereof or thereafter any of the Company's confidential or trade secret information, except as required by law. Executive recognizes that Executive shall be employed in a sensitive position in which, as a result of a relationship of trust and confidence, Executive will have access to trade secrets and other highly confidential and sensitive information.

Executive further recognizes that the knowledge and information acquired by Executive concerning the Company's materials regarding employer/employee contracts, customers, pricing schedules, advertising, manuals, systems, procedures and forms represent the most vital part of the Company's business and constitute by their very nature, trade secrets and confidential knowledge and information. Executive hereby stipulates and agrees that all such information and materials shall be considered trade secrets and confidential information. If it is at any time determined that any of the information or materials identified in this Section are, in whole or in part, not entitled to protection as trade secrets, they shall nevertheless be considered and treated as confidential information in the same manner as trade secrets, to the maximum extent permitted by law. Executive further agrees that all such trade secrets or other confidential information, and any copy, extract or summary thereof, whether originated or prepared by or for Executive or otherwise coming into Executive's knowledge, possession, custody, or control, shall be and remain the exclusive property of the Company.

4. Non-Competition

- 4.1 **Competing Entities:** In this Agreement, "Competing Entities" includes any entity whose major business operations consist of manufacturing or recycling of aluminum, alumina, or downstream rolled aluminum products.
- 4.2 **Competitive Activities:** Executive covenants and agrees that, while employed with the Company and for eighteen months thereafter, Executive shall not, directly or indirectly, in any manner whatsoever including, without limitation, either individually, or in partnership, jointly or in conjunction with any other person, or as employee, principal, agent, consultant, director, shareholder, lender or otherwise:
 - (a) be engaged actively in or by any Competing Entities in order to provide products or services similar to the products and services provided by the Company;
 - (b) have any financial or other interest including, without limitation, an interest by way of royalty or other compensation arrangements, in or in respect of any Competing Entities, excluding the ownership of not more than 5% of the issued shares of any such Competing Entities, the shares of which are listed on a recognized stock exchange or traded in the over-the-counter market; or

(c) advise, lend money to or guarantee the debts or obligations of any Competing Entities.

5. Non-Solicitation

- 5.1 Customers and Suppliers: Executive covenants and agrees that, while employed with the Company and for 18 months thereafter, Executive will not, in any manner, directly or indirectly, by any means, in any capacity, in order to direct away from the Company, approach, solicit, or contact any customers or suppliers of the Company who have actively done business with the Company in the preceding 18 months, or any prospective customer or supplier that the Company approached, solicited or contacted in the preceding 18 months, or attempt to do any of the foregoing, in order to offer or obtain services or products that compete with the business of the Company (or any material part thereof) as conducted at the time of the cessation of the Executive's employment or during the twelve-month period prior to such date or contemplated to be carried on in its most recent annual business plan.
- 5.2 Employees: Executive covenants and agrees that, while employed with the Company and for 18 months thereafter, Executive will not induce or solicit, or attempt to induce or solicit, or assist any person to induce or solicit, any management or higher employee, contractor or advisor of the Company, or assist or encourage any management or higher employee, contractor or advisor of the Company, to accept employment, or engagement elsewhere that competes with the business of the Company (or any material part thereof) as conducted at the time of the cessation of Executive's employment or any other business conducted by the Company during the twelve-month period prior to such date or contemplated to be carried on in its most recent annual business plan.

6. Withholding.

Taxes resulting from any benefits received under this Agreement are for the account of the Executive. The Company may withhold from any benefits payable under this Agreement all applicable taxes and other amounts as shall be required pursuant to any law or governmental regulation or ruling.

7. Non-Binding Arbitration; Claim Venue.

Any claim or controversy arising out of or relating to this Agreement or any breach thereof shall be subject to non-binding arbitration before either party may seek any other legal recourse. Any such arbitration shall take place in Atlanta, Georgia, in accordance with the rules of the American Arbitration Association. Each party further submits to the exclusive jurisdiction of the Georgia state courts and the United States District Court for the Middle District of Georgia (Atlanta, Georgia) and irrevocably waives, to the fullest extent permitted by law, any objections that either party may now or hereafter have to the aforesaid venue, including without limitation any claim that any such proceeding brought in either such court has been brought in an inconvenient forum, provided however, this provision shall not limit the ability of either party to enforce the other provisions of this Section.

8. Not an Employment Contract.

All the information in this Agreement, including eligibility for participation in compensation and benefit plans, is subject to the terms of the applicable plan documents and policies, which are

subject to change during the normal course of Company business. Except as otherwise provided in a separate written agreement signed by an individual duly authorized to enter into such agreement on behalf of the Company, Executive's employment at Company is "at-will" and either Executive or Company may decide to terminate the employment relationship at any time and for any reason, except as provided by law or such separate agreement. The terms of this Agreement, therefore, do not and are not intended to create either an express or implied contract of employment with Company for any particular duration.

9. Successors and Assigns.

The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to absolutely and unconditionally assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place.

10. No Obligation to Mitigate Damages; No Effect on Other Contractual Rights.

10.1 Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as the result of employment by another employer after Executive's termination of employment, or otherwise.

10.2 The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any employee benefit plan or arrangement providing retirement benefits or health, life, disability or similar welfare benefits.

11. Sole Agreement.

This Agreement represents the entire agreement between the parties with respect to the matters contemplated herein. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

12. Validity.

The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Headings.

The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

14. Governing Law.

This Agreement shall be governed by, and shall be construed in accordance with, the internal laws (and not the laws of conflicts) of the State of Georgia.
THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

NOVELIS INC.

By: _____

Date: _____

EXECUTIVE

By: _____



AGREEMENT

between

Novelis AG, Bellerivestrasse 36, 8034 Zurich, Switzerland

(hereinafter the "Company")

and

Mr. Arnaud de Weert, Chamer Fussweg 15, 6300 Zug, Switzerland

(hereinafter the "Employee")

regarding

Termination of Employment

WHEREAS the Employee is currently employed by the Company pursuant to an employment agreement concluded between the parties on February 13, 2006 (the "Employment Agreement");

WHEREAS the Company, on June 8, 2009 gave notice of termination by respecting the ordinary two months notice period per end of the month with effect as of August 31, 2009;

WHEREAS the parties prefer to terminate the employment relationship by mutual agreement;

NOW, therefore, in consideration of the mutual covenants and agreements set forth hereinafter, the parties agree as follows:

1. The parties agree to terminate the Employment Agreement and the employment relationship existing between them as of August 31, 2009 (the "Effective Date") and there shall be not extension of the notice period for whatever reason

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including, in particular sickness, accident, military service or any other reason listed in art. 336c of the Swiss Code of Obligations.

2. The Employee will be released from his obligations to work with immediate effect. Accordingly, the Company will arrange for the Employee's title and signatory authority to be deleted from the commercial register as soon as reasonably practical. However, the Employee shall provide such cooperation and assistance as reasonably required by the Company for the orderly transition of management, including but not limited to (a) the specific obligations of the Employee under this Agreement, (b) providing such information as reasonably required by the Company and (c) signing of such documentation reasonably required by the Company to effectuate the termination of the Employee's employment and resignation from membership of any Board of Directors of the Company or any affiliated company. Additionally, the Employee shall cooperate and assist the Company or any company affiliated to the Company as shall be reasonably required, by providing truthful, accurate information (to the extent that the Employee would be under an obligation under applicable law to testify as a witness and only so far as this will not conflict with applicable laws) in the investigation and handling of any legal proceedings, regulatory investigation, administrative or other hearing, whether formal or informal, by any person, entity or governmental entity against the Company or any company affiliated to the Company (a "Legal Matter"). The Employee's obligations to cooperate and assist the Company in any Legal Matter includes the obligation to appear and testify as a witness at, to assist the Company with the preparation for, and to provide any documents or information which relates in whole or in part to the period of time in which the Employee was employed by the Company. The Company agrees to reimburse the Employee for reasonable out-of-pocket expenses incurred by him in connection with such cooperation and assistance in a Legal Matter, including reasonable attorneys' fees approved in advance by the Company.

The Employee shall not be prevented from engaging in other employment or business activities provided, however, that he complies with his obligation not to compete pursuant to section 8. In the event the Employee engages in another employment or business activity the remuneration received from such activity shall not be deducted from the Employee's salary and other entitlements.

3. The Company continues to pay the Employee's base salary until the Effective Date on the same terms and with the same deductions as in the past. The additional payments under this Agreement shall be subject to such deductions as required or permitted by law.
4. The Company shall pay a lump sum of 435,000 Euros gross with the September 2009 payroll as severance under the terms of the Employment Agreement.

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5. The Company shall pay the Employee's earned AIP in the gross amount of 118,857 Euros gross, for FY 2009 in July 2009 at the same time it is paid to Company employees.
6. In addition, the Company shall, with September 2009 payroll payment, pay to the Employee a lump sum payment of CHF 320,000 gross in full settlement of all claims that the Employee might have in connection with his employment and its termination, including, in particular, any claims that the Employee might have under any annual or long term incentive plan such as the second instalment of the first tranche of the Employee's FY 2008 LTIP which, if the Employee were otherwise eligible, would be payable in July 2010.
7. In addition, the Company shall with the September 2009 payroll payment pay the Employee a lump sum payment of 30,000 Euros gross in full satisfaction of the Company's obligation to pay for Employee's and Employee's family's repatriation costs back to Belgium, irrespective of whether Employee returns immediately or later.
8. The Employee agrees that until the Effective Date he will not directly or indirectly (i) own, manage, operate, control, be employed by, establish, participate in any business which is directly competing with the Company or a company affiliated to the Company (a "Competing Business") or (ii) engage in any other business activity that competes with the Company or a company affiliated to the Company. The acquisition of shares in a company whose shares are officially listed at a stock exchange is not prohibited.

Upon each proven single breach of the covenant not to compete, the Employee shall pay the Company a penalty in the amount of CHF 100,000. The Employee shall be liable for any further damage resulting from such breach, if any. In addition to this penalty the Company may enforce the Employee's covenant not to compete, in particular by interim relief measures. In case of a breach of the covenant not to compete the Company is furthermore entitled to terminate the Employment Agreement with immediate effect.

On the Effective Date, the covenant not to compete as set forth in this Section 8 shall expire.

9. Until the second anniversary of the Effective Date, the Employee shall not actively entice away or solicit any employees of the Company or of any company affiliated to the Company or offer them a job. Upon each proven violation of his obligations under this section 9, the Employee shall pay to the Company liquidated damages in the amount of CHF 100,000. Payment of the liquidated damages does not relieve the Employee from his obligations under this section 9. The Company is, furthermore, entitled to seek judicial enforcement of the

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Employee's obligations under this section 9 and/or to claim damages exceeding the amount of the liquidated damages.

10. Until the second anniversary of the Effective Date, the Employee shall not directly or indirectly entice away or solicit any customers of the Company or any company affiliated to the Company for whom the Employee was active during the last 12 months prior to June 8, 2009 (the "Customers") for the benefit of a Competitor. This restriction applies only to Customers who (i) are active customers of the Company or the relevant affiliate at or during the 12 months prior to June 8, 2009 and (ii) are based in or doing business in Europe (a "Restricted Customer"), and applies only with respect to products which are competing with the products and services offered by the Company or a company affiliated to the Company at or during the 12 months prior to June 8, 2009. "Competitor" means, for the purpose of this clause, a person or commercial entity whose business directly competes with the business of the Company or a company affiliated to the Company at or during the 12 months prior to June 8, 2009. Upon each proven violation of his obligations under this section 10 the Employee shall pay to the Company liquidated damages in the amount of CHF 100,000. Payment of the liquidated damages does not relieve the Employee from observing his obligations under this section 10. The Company is, furthermore, entitled to seek judicial enforcement of the Employee's obligations under this section 10 and/or to claim damages exceeding the amount of the liquidated damages.
11. On June 8, 2009, or such other date as agreed in writing with the Company, the Employee shall hand over to the Company all documents and copies thereof of a confidential nature belonging or relating to the Company or any company affiliated to the Company in his possession, which he obtained in connection with his employment. In addition, the Employee shall return all property belonging to the Company or any company affiliated to the Company in his possession. The Employee furthermore, shall return a copy of any electronically stored confidential data belonging to the Company or any company affiliated to the Company on or before June 8, 2009, or such other date as agreed in writing by the Company, and the Employee shall not keep a copy of any such confidential data belonging to the Company. The Company agrees to make available to the Employee such returned documents and information if and when the Employee needs them in order to defend his legitimate interests in connection with any Legal Matter to which the Employee may become a party and which relate to his activities as an Employee of the Company or of any company affiliated to the Company ("Legal Matter Information"). If Legal Matter Information is provided to Employee, it shall be used solely for the purposes stated in this section and shall be returned to the Company immediately upon completion of the Legal Matter.

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12. During the term of the Employment Agreement and thereafter the Employee shall keep strictly confidential and neither use for his own purpose or that of others nor make known to any third person any confidential information, knowledge or data obtained by him during his employment with the Company with respect to the Company or any company affiliated to the Company or of any products, improvements, formulas, recipes, designs, processes, customers, methods of distribution or methods of manufacture or operation, sales, prices, profits, costs, contracts, suppliers, business prospects, business methods, techniques, research, trade secrets, or know-how or data which at such time of disclosure is not publicly known and in the public domain.
13. The Company herewith informs the Employee that his accident insurance will end 30 days after the Effective Date, i.e. on September 30, 2009. If by such date the Employee had not commenced new employment that provides for insurance coverage of the occupational as well as non-occupational accident, the Employee has to notify his health insurer about the fact that the employment relationship will end on the Effective Date to secure sufficient insurance coverage or has to take out a so-called "Abredeversicherung" with the current accident insurance company for up to 180 days.
The Company, furthermore, informs the Employee that, as from the Effective Date, the Employee will no longer benefit from sickness assistance as stipulated in the Employee Handbook Section 6.
14. The Employee will not in any way disparage or criticize the Company or any company affiliated to the Company, their respective directors, officers or employees or any of the Company's products or those of any other company affiliated to the Company.
15. (a) The Employee releases the Company and its Affiliates and their respective directors, officers, stockholders, employees, agents or attorneys of and from any and all claims of any nature which has arisen or may arise in connection with the Employee's employment with the Company. Such release does not apply with respect to claims (of which the Employee has no actual knowledge at the date hereof) which are based on an act or omission (i) that meets a legal standard of gross negligence or fraud and that causes actual, material harm to the Employee, or (ii) that constitutes a criminal offence in any jurisdiction where the Company or any company affiliated to the Company is or has engaged in business. (b) The Company, for itself and for any company affiliated to the Company, releases the Employee of and from any and all claims of any nature whatsoever, excepting any act(s) or omission(s) by the Employee during employment with the Company of which the Company or the affiliate has no actual knowledge at the date hereof (i) that meet a legal standard of gross negligence or fraud and that cause actual, material harm to the Company or any affiliate, or (ii) that constitutes

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a criminal offence in any jurisdiction where the Company or any company affiliated to it is or has engaged in business.

(c) The releases in this Agreement do not include the obligations of the parties arising out of this Agreement.

- 16. The Company shall provide to the Employee not later than the effective date of this Agreement with a certificate of employment in the form and substance of Attachment 1, duly signed by an individual or individuals authorized by the Company. The Company shall, unless otherwise required by law, provide only such information in response to any inquiry about the Employee's employment or termination of employment, so long as the Employee directs any such inquiry to Robert Virtue at Novelis Inc., John Gardner at the Company, or their successors.
- 17. Modifications of and amendments to this Agreement shall exclusively be made in writing.
- 18. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Should this Agreement or section 1 thereof for any reason whatsoever be void or rescinded, the Company's notice of termination dated June 8, 2009 with effect as of August 31, 2009 shall have full force and effects without any payments being due to the Employee other than under mandatory statutory law and/or Employment Agreement.
- 19. The present Agreement shall be governed by Swiss law.

Place and date

Zurich, 22.06.09

The Company
Novelis AG

/s/ Colin Bond

/s/ Colin Bond

Place and date

z u b, 26.06.09

The Employee

/s/ Arnaud de Weert

Arnaud de Weert

Novelis AG

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