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): May 25, 2010

NOVELIS INC.
(Exact name of Registrant as specified in its charter)

Canada	001-32312	98-0442987
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

3399 Peachtree Road NE, Suite 1500, Atlanta, GA	30326
(Address of principal executive offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Novelis 2011 Long-Term Incentive Plan

On May 25, 2010, the Board of Directors of Novelis Inc. (the Company) approved the Novelis 2011 Long-Term Incentive Plan (2011 LTIP). The 2011 LTIP provides for a long-term incentive opportunity for the Company's executive officers, other key managers, and certain high potential employees. The 2011 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 shareholder.

The 2011 LTIP will be administered by Novelis Corporate Human Resources. Awards under the 2011 LTIP will consist of stock appreciation rights (SARs) and restricted stock units (RSUs).

Each SAR will have a value 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 SARs 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 SARs are exercised within one year of vesting. The maximum will be 3 times for SARs exercised more than one year after vesting.

Each RSU will have a value equivalent to one Hindalco share. The initial value of an RSU will be set at the time of grant. RSUs will vest in full on the third anniversary of the grant, on May 25, 2013, at which time the value will be paid to the participant in cash subject to a cap of three times the initial value.

In the event a participant resigns, unvested SARs will lapse and vested SARs must be exercised within 90 days. RSUs will be forfeited. 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. RSUs will be forfeited. In the event of death or disability, there will be immediate vesting of all SARs with one year to exercise. RSUs will be forfeited. Upon a change in control, there would be immediate vesting and cash-out of SARs and RSUs.

The 2011 LTIP target amounts for our principal executive officer, principal financial officer, and our named executive officers are as follows:

Executive	LTIP Target Amount
Philip Martens	$ 2,500,000
Steven Fisher	$ 577,500
Jean-Marc Germain	$ 577,500
Tadeu Nardocci	$ 577,500
Thomas Walpole	$ 350,000

A copy of the 2011 LTIP is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Novelis 2011 Annual Incentive Plan

On May 25, 2010, the Board of Directors of the Company also approved the Novelis 2011 Annual Incentive Plan (2011 AIP) to provide short-term incentives for the period from April 1, 2010 to March 31, 2011. 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. The incentive benchmarks for each of our named executive officers are tied to company-wide performance.

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 2011 performance does not exceed the performance threshold, (2) 100% of target if fiscal 2011 results meet the business plan target and (3) up to a maximum of 200% of target if fiscal 2011 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 2011 performance does not exceed the performance threshold, (2) 100% of target if fiscal 2011 results meet the business plan target and (3) up to 200% of target if fiscal 2011 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 the completion of strategic EHS initiatives.

If an executive retires, dies or become disabled 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 are as follows:

Executive	AIP Target (as % of base salary)
Philip Martens	110%
Steven Fisher	75%
Jean-Marc Germain	65%
Tadeu Nardocci	65%
Thomas Walpole	57%

A copy of the 2011 AIP is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Novelis 2011 Long-Term Incentive Plan

10.2 Novelis 2011 Annual Incentive Plan

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.

	NOVELIS INC.
Date: May 28, 2010	By: /s/ Leslie J. Parrette, Jr.
	Leslie J. Parrette, Jr. General Counsel, Compliance Officer and Corporate Secretary

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	Novelis 2011 Long-Term Incentive Plan
10.2	Novelis 2011 Annual Incentive Plan

<u>Novelis — 2011 Long-Term Incentive Plan (“2011 LTIP”)</u>

Key features of the Scheme:

1. **Title and Administration:** The plan shall be referred to as the 2011 LTIP. The plan will be administered by Novelis Corporate Human Resources.
2. **Performance Period:** For this plan, the performance period will be FY 2011, FY 2012, FY 2013 and FY 2014. The exact period of assessment will be April 1, 2010 to March 31, 2014.
3. **Eligibility:** Eligibility for this plan will be Band 5 and above. High potential and critical resource employees at Band 6 and below will participate on an exception basis.
4. **Opportunity:** The target opportunity for each Band as approved by the Compensation Committee or the Board as appropriate.
5. **Plan Design Summary :**

The opportunity will be in the form of Stock Appreciation Rights (SARs) and Restricted Stock Units (RSUs) with 80% of the opportunity in SARs and 20% of the opportunity in RSUs.

<u>Details on the SAR’s :</u>

- Each SAR will be equivalent to one Hindalco share.
- The exercise price of the SARs will be determined by using the 5 day average closing price of Hindalco shares starting with the Board meeting date of May 25, 2010.
- The SARs would vest 25% each year for 4 years, subject to performance criteria being fulfilled.
- The performance criterion for vesting is actual vs. target performance of Normalized EBITDA for Overall Novelis as approved each year.
- 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%.
- Vested SARs could be exercised and paid in cash at any time during the seven-year life of the plan by the employee.
- The value of the SARs is dependent on the share price of Hindalco at the time of exercise.
- Cash payouts for SARs will be restricted to a maximum of 2.5 times target if exercised within one year of vesting and a maximum of 3 times target if exercised after first year.

<u>Details on RSU’s :</u>

- Each RSU will be equivalent to one Hindalco share.
- The initial value of each RSU will be determined by using the 5 day average closing price of Hindalco shares starting with the Board meeting date of May 25, 2010

- The RSUs will vest in full on the third anniversary of the grant, May 25, 2013 at which time the value will be paid in cash to the participant subject to a cap of 3 times the initial value.

6. **Measures to be used for vesting of SARs:** The SARs will vest subject to the target Normalized EBITDA threshold being achieved. Normalized EBIDTA is defined as:
   a. 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 SARs:** The computation of SARs is as follows:
   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 $50,000
      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. $50,000 / (40% x $5.00) = 25,000 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 SARs to be granted to employees.
   b. Date of Grant: The SARs are granted on the date of approval from the Board which is May 25, 2010.
   c. An individual will be entitled to participate in the 2011 LTIP if actively employed no later than June 1, 2010. Employees hired during the remainder of FY 2011, will be treated in the following manner :
      i. For those who join between June — September, SAR and RSU opportunity to be 90% of the target amount for the Band
      ii. For those who join between October — December, SAR and RSU opportunity to be 75% of the target amount for the Band
      iii. For those who join between January — March, there will be no SAR and RSU opportunity under this plan
      iv. After the initial grant which will be in May / June 2010, every subsequent grant for joinees described in (i), (ii) and (iii) above, the grant dates will be July 1, 2010, October 1, 2010 and January 1, 2011. In all cases above, the exercise price of the SARs will be determined by using the 5 day average closing price of Hindalco shares starting with the dates specified above.

d. The LTIP Opportunity for existing employees will not change for a Band change during the year.

e. In the case of an employee who has not been covered under the plan previously who moves to Band 5 or higher during the year, the rules in 8.c will apply,

f. In the event Participant terminates employment for any reason other than Retirement, Cause, Disability or death, (A) the SARs, to the extent vested and exercisable at the time of such termination, shall remain exercisable until the expiration of 90 days after such termination, on which date the SARs shall expire, (B) the SARs, to the extent not vested and exercisable at the time of such termination, shall expire at the close of business on the date of such termination and (C) the RSUs will be forfeited.

g. In the event Participant terminates employment due to Retirement on or after May 25, 2011, the unvested SARs shall continue to vest in accordance with the program, but in all events must be exercised no later than the third (3rd) anniversary following Participant's Retirement. In the event Participant terminates employment due to Retirement before May 25, 2011, the SARs shall expire in their entirety at the close of business on the date of such Retirement. The RSUs will be forfeited upon Retirement.

h. In the event of death or disability, there will be immediate vesting of all SARs with one year to exercise. RSUs will be cashed out at the value on the date of death or disability.

i. Upon change in control, there would be immediate vesting and cashout of all SARs and RSUs. The conditions for change in control would be as specified in the individual agreements with the covered executives.

Exhibit 10.2

NOVELIS

Novelis — 2011 Annual Incentive Plan (“2011 AIP”)

Key features of the Scheme:

1. **Title and Administration:** The plan shall be referred to as the 2011 AIP. The Plan will be administered by Novelis Corporate Human Resources.
2. **Performance Year:** For this plan the performance period will be April 1, 2010 to March 31, 2011. Payouts, computed on the basis of performance, will be made following necessary approvals.
3. **Eligibility:** Eligibility for this plan will be Band 5 and above. Employees at Band 6 and below will be governed by local schemes in the respective locations.
4. **Opportunity:** The target 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 the 2011 AIP**: Four measures shall be used to compute performance. These measures will be applied at two levels: **Overall Novelis Performance and Regional Novelis Performance.** The four measures are as follows :
   a. Normalized 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 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 2 sub-parameters:
      i. Recordable Case Rate: Workplace accident resulting in an injury requiring more than first aid treatment. **This will carry a 6% weightage on the overall plan.**
      ii. 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. The multipliers for individual performance ratings will be as follows :
      i. Far Exceeds Expectations (FEE) : 200%
      ii. Exceeds Expectations (EE) : 120%
      iii. Met Expectations (ME): 100%
      iv. Below Expectations (BE) : 60%
      v. Far Below Expectations (FBE) : Zero

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 and Region Presidents are 100% based on overall Novelis results.

   b. Region staff in Bands 2 through 5 will be 50% overall Novelis performance and 50% on Region performance. Region Staff in Bands 6 and below will be 30% overall Novelis and 70% Regionally determined

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

7. **Performance Measures and Targets for the 2011 AIP:** The performance measures and targets will be as approved by the Board for FY 2011.

8. **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 amounts 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 "Below Expectations" on EBITDA and Free Cash flow numbers, and on Target for EHS Performance, whereas the performance is "Exceeds Expectations" for overall Novelis performance for Normalized EBITDA and Free Cash flow and on target for EHS Performance. In such case, (as an example) a Region employee in Band 4 with a 50% weightage on business and 50% weightage on Novelis performance will forego the portion of AIP that is linked to Region EBITDA and Free Cash Flow performance, but earn his AIP at target for Region EHS results, and will earn 150% of target AIP on account of Novelis EBITDA and Free Cash Flow 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.

   If an employee is rated as "Far Below Expectations" on individual performance, then he/she will not be entitled to any AIP payment , irrespective of overall Company or region performance on other metrics.

10. Other aspects of the plan :

   a. An individual needs to be employed for the entire performace year to be entitled to any payout on account of AIP. The performance year for the purposes of this plan has been defined in (2) above.

   b. An individual will be entitled to prorated AIP if he / she retires, dies or becomes disabled during the course of the year, on a pro-rata basis. Such payouts will be made at the time that payouts are made for all other employees.

   c. In the event of a 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

   d. 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.