UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark one)

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2007

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number: 001-32312

Novelis Inc.

(Exact name of registrant as specified in its charter)

Canada	**98-0442987**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification number)*
3399 Peachtree Road NE, Suite 1500 Atlanta, Georgia	**30326**
(Address of principal executive offices)	*(Zip Code)*

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" in Rule 12b-2 of the Exchange Act.
Large accelerated filer þ Accelerated filer o Non-accelerated filer o

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

As of October 31, 2007, the registrant had 77,459,658 common shares outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Novelis Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (unaudited) (in millions, except per share amounts)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Net sales	$ 2,821	$ 2,494	$ 4,368	$ 1,281	$ 5,058
Cost of goods sold (exclusive of depreciation and amortization shown below)	2,555	2,389	3,991	1,205	4,796
Selling, general and administrative expenses	88	103	130	95	201
Depreciation and amortization	102	57	155	28	116
Research and development expenses	10	10	23	6	20
Interest expense and amortization of debt issuance costs — net	56	52	81	26	101
(Gain) loss on change in fair value of derivative instruments — net	36	37	22	(20)	(4)
Equity in net (income) loss of non-consolidated affiliates	4	(5)	5	(1)	(9)
Sale transaction fees	—	—	—	32	—
Other (income) expenses — net	(7)	7	4	4	3
	2,844	2,650	4,411	1,375	5,224
Loss before provision (benefit) for taxes on loss and minority interests' share	(23)	(156)	(43)	(94)	(166)
Provision (benefit) for taxes on loss	(36)	(52)	—	4	(72)
Income (loss) before minority interests' share	13	(104)	(43)	(98)	(94)
Minority interests' share	—	2	2	1	(2)
Net income (loss)	13	(102)	(41)	(97)	(96)
Other comprehensive income — net of tax Currency translation adjustment	30	11	28	35	68
Change in fair value of effective portion of hedges — net	1	11	2	(1)	(23)
Postretirement benefit plans Amortization of net actuarial loss	—	—	—	(1)	—
Change in minimum pension liability	—	(1)	—	—	(4)
Other comprehensive income — net of tax	31	21	30	33	41
Comprehensive income (loss)	$ 44	$ (81)	$ (11)	$ (64)	$ (55)
Dividends per common share	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.10

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

Novelis Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(in millions, except number of shares)

	As of	
	September 30, 2007	March 31, 2007
	Successor	*Predecessor*
ASSETS		
Current assets		
Cash and cash equivalents	$ 181	$ 128
Accounts receivable (net of allowances of $1 as of September 30, 2007 and $29 as of March 31, 2007)		
— third parties	1,355	1,350
— related parties	27	25
Inventories	1,494	1,483
Prepaid expenses and other current assets	49	39
Current portion of fair value of derivative instruments	51	92
Deferred income tax assets	62	19
Total current assets	3,219	3,136
Property, plant and equipment — net	3,298	2,106
Goodwill	2,344	239
Intangible assets — net	854	20
Investment in and advances to non-consolidated affiliates	757	153
Fair value of derivative instruments — net of current portion	7	55
Deferred income tax assets	62	102
Other long-term assets		
— third parties	86	105
— related parties	46	54
Total assets	$ 10,673	$ 5,970
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	$ 14	$ 143
Short-term borrowings	243	245
Accounts payable		
— third parties	1,454	1,614
— related parties	53	49
Accrued expenses and other current liabilities	807	480
Deferred income tax liabilities	85	73
Total current liabilities	2,656	2,604
Long-term debt — net of current portion	2,559	2,157
Deferred income tax liabilities	690	103
Accrued postretirement benefits	443	427
Other long-term liabilities	688	352
	7,036	5,643
Commitments and contingencies		
Minority interests in equity of consolidated affiliates	151	152
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 77,459,658 and 75,357,660 shares issued and outstanding as of September 30, 2007 and March 31, 2007, respectively	—	—
Additional paid-in capital	3,497	428
Accumulated deficit	(41)	(263)
Accumulated other comprehensive income	30	10
Total shareholder's equity	3,486	175
Total liabilities and shareholder's equity	$ 10,673	$ 5,970

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

Novelis Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited) (in millions)

	May 16, 2007 Through September 30, 2007 *Successor*	April 1, 2007 Through May 15, 2007 *Predecessor*	Six Months Ended September 30, 2006 *Predecessor*
OPERATING ACTIVITIES			
Net loss	$ (41)	$ (97)	$ (96)
Adjustments to determine net cash provided by (used in) operating activities:			
Depreciation and amortization	155	28	116
(Gain) loss on change in fair value of derivative instruments — net	22	(20)	(4)
Deferred income taxes	(46)	(18)	(111)
Amortization of debt issuance costs	7	1	5
Write-off and amortization of fair value adjustments — net	(82)	—	—
Provision for uncollectible accounts receivable	1	—	1
Equity in net (income) loss of non-consolidated affiliates	5	(1)	(9)
Dividends from non-consolidated affiliates	—	4	4
Minority interests' share	(2)	(1)	2
Share-based compensation	—	—	1
Gain on sales of businesses, investments and assets — net	—	—	2
Changes in assets and liabilities (net of effects from acquisitions and divestitures):			
Accounts receivable			
— third parties	54	(21)	(25)
— related parties	—	—	2
Inventories	105	(76)	(9)
Prepaid expenses and other current assets	(2)	(7)	13
Other long-term assets	(2)	(1)	(12)
Accounts payable			
— third parties	(126)	(62)	3
— related parties	3	—	(3)
Accrued expenses and other current liabilities	(57)	42	15
Accrued postretirement benefits	8	1	10
Other long-term liabilities	7	(2)	6
Net cash provided by (used in) operating activities	9	(230)	(89)
INVESTING ACTIVITIES			
Capital expenditures	(57)	(17)	(56)
Cash advance received on pending transfer of rights	—	—	15
Proceeds from sales of assets	1	—	1
Changes to investment in and advances to non-consolidated affiliates	3	1	2
Proceeds from loans receivable — net — related parties	10	—	20
Net proceeds from settlement of derivative instruments	66	18	154
Net cash provided by investing activities	23	2	136
FINANCING ACTIVITIES			
Proceeds from issuance of common stock	92	—	—
Proceeds from issuance of debt	960	150	20
Principal repayments	(905)	(1)	(185)
Short-term borrowings — net	(65)	60	78
Dividends			
— common shareholders	—	—	(7)
— minority interests	(1)	(7)	(1)
Debt issuance costs	(35)	(2)	(8)
Proceeds from the exercise of stock options	—	1	—
Net cash provided by (used in) financing activities	46	201	(103)
Net increase (decrease) in cash and cash equivalents	78	(27)	(56)
Effect of exchange rate changes on cash balances held in foreign currencies	1	1	3
Cash and cash equivalents — beginning of period	102	128	124
Cash and cash equivalents — end of period	$ 181	$ 102	$ 71
Supplemental disclosures of cash flow information:			
Interest paid	$ 102	$ 13	$ 103
Income taxes paid	31	9	12
Supplemental schedule of non-cash investing and financing activities related to the Acquisition of Novelis Common Stock (Note 2):			
Property, plant and equipment	$ (1,244)		
Goodwill	(2,097)		
Intangible assets	(859)		
Investment in and advances to non-consolidated affiliates	(610)		
Debt	66		
Additional paid-in capital	(422)		

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

Novelis Inc.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (unaudited)
(in millions, except number of common shares)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Predecessor:						
Balance as of March 31, 2007	75,357,660	$ —	$ 428	$ (263)	$ 10	$ 175
Activity April 1, 2007 through May 15, 2007						
Net loss	—	—	—	(97)	—	(97)
Issuance of common stock from the exercise of stock options	57,876	—	1	—	—	1
Conversion of share-based compensation plans from equity-based plans to liability-based plans	—	—	(7)	—	—	(7)
Currency translation adjustment	—	—	—	—	35	35
Change in fair value of effective portion of hedges — net	—	—	—	—	(1)	(1)
Postretirement benefit plans:						
Amortization of net actuarial loss	—	—	—	—	(1)	(1)
Balance as of May 15, 2007	75,415,536	$ —	$ 422	$ (360)	$ 43	$ 105
Successor:						
Balance as of May 16, 2007	75,415,536	$ —	$ 3,405	$ —	$ —	$ 3,405
Activity May 16, 2007 through September 30, 2007						
Net loss	—	—	—	(41)	—	(41)
Issuance of common stock	2,044,122	—	92	—	—	92
Currency translation adjustment	—	—	—	—	28	28
Change in fair value of effective portion of hedges — net	—	—	—	—	2	2
Balance as of September 30, 2007	77,459,658	$ —	$ 3,497	$ (41)	$ 30	$ 3,486

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

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Business and Summary of Significant Accounting Policies

References herein to "Novelis," the "Company," "we," "our," or "us" refer to Novelis Inc. and its subsidiaries as both Predecessor and Successor (as defined below) unless the context specifically indicates otherwise. References herein to "Hindalco" refer to Hindalco Industries Limited. References herein to "Alcan" refer to Alcan, Inc.

Change in Fiscal Year End

On June 26, 2007, our board of directors approved the change of our fiscal year end to March 31 from December 31. On June 28, 2007, we filed a Transition Report on Form 10-Q for the three month period ended March 31, 2007 with the United States Securities and Exchange Commission (SEC) pursuant to Rule 13a-10 of the Securities Exchange Act of 1934 for transition period reporting. Accordingly, these unaudited condensed consolidated financial statements are presented on the basis of our new fiscal year end of March 31.

Description of Business and Basis of Presentation

Novelis Inc., formed in Canada on September 21, 2004 and its subsidiaries is the world's leading aluminum rolled products producer based on shipment volume. We produce aluminum sheet and light gauge products where the end-use destination of the products includes the construction and industrial, beverage and food cans, foil products and transportation markets. As of September 30, 2007, we had operations on four continents: North America; Europe; Asia and South America, through 33 operating plants and three research facilities in 11 countries. In addition to aluminum rolled products plants, our South American businesses include bauxite mining, alumina refining, primary aluminum smelting and power generation facilities that are integrated with our rolling plants in Brazil.

These unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated and combined financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006 filed with the SEC on March 1, 2007, as amended on April 30, 2007. These unaudited condensed consolidated financial statements have been prepared pursuant to SEC Rule 10-01 of Regulation S-X. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made herein are adequate to make the information not misleading.

The accompanying unaudited condensed consolidated statement of operations and comprehensive loss and statement of cash flows for the six months ended September 30, 2006 have been derived from the unaudited condensed consolidated financial statements included in our previously filed Quarterly Reports on Form 10-Q for the periods ended September 30, 2006 and March 31, 2006, as such six month period was not previously reported.

Predecessor and Successor Reporting

Our acquisition by Hindalco (see Note 2 — Acquisition of Novelis Common Stock) was recorded in accordance with Staff Accounting Bulletin No. 103, Topic 5J, *Push Down Basis of Accounting Required in Certain Limited Circumstances* (SAB No. 103). In the accompanying September 30, 2007 condensed consolidated balance sheet, the consideration and related costs paid by Hindalco in connection with the acquisition have been "pushed down" to us and have been allocated to the assets acquired and liabilities assumed in accordance with Financial Accounting Standards Board (FASB) Statement No. 141, *Business Combinations*. Due to the impact of push down accounting, the Company's condensed consolidated financial statements and certain note presentations for the six months ended September 30, 2007 are presented in two

distinct periods to indicate the application of different bases of accounting between the periods presented: (1) the period up to, and including, the acquisition date (April 1, 2007 through May 15, 2007, labeled "Predecessor") and (2) the period after that date (May 16, 2007 through September 30, 2007, labeled "Successor"). The accompanying unaudited condensed consolidated financial statements include a black line division which indicates that the Predecessor and Successor reporting entities shown are not comparable.

The unaudited results of operations for the interim periods shown in these condensed consolidated financial statements, including the periods shown as Predecessor and Successor, are not necessarily indicative of operating results for the entire fiscal year. In the opinion of management, the accompanying unaudited condensed consolidated financial statements recognize all adjustments of a normal recurring nature considered necessary to fairly state our consolidated financial position, results of operations, cash flows and changes in shareholder's equity for the periods presented.

Reclassifications and Revisions

Certain reclassifications of prior periods' amounts and presentation have been made to conform to the presentation adopted for the current periods. The following reclassifications and presentation changes were made to the prior periods' condensed consolidated statements of operations to conform to the current period presentation: (a) the amounts previously presented in *Restructuring charges — net* and *Impairment charges on long-lived assets* were reclassified to *Other (income) expenses — net* and (b) *Gain on change in fair value of derivative instruments — net* and *Sale transaction fees* were reclassified from *Other (income) expenses — net* to separate line items. These reclassifications have no effect on total assets, total shareholder's equity, net loss or cash flows as previously presented.

As a result of the acquisition by Hindalco, and based on the way our President and Chief Operating Officer (our chief operating decision-maker) reviews the results of segment operations, during the quarter ended June 30, 2007 we changed our segment performance measure to Segment Income, as defined in Note 18 — Segment and Major Customer Information.

Recently Issued Accounting Standards

In April 2007, the FASB issued Staff Position No. FIN 39-1, *Amendment of FASB Interpretation No 39*, (FSP FIN 39-1). FSP FIN 39-1 amends FASB Statement No. 39, *Offsetting of Amounts Related to Certain Contracts*, by permitting entities that enter into master netting arrangements as part of their derivative transactions to offset in their financial statements net derivative positions against the fair value of amounts (or amounts that approximate fair value) recognized for the right to reclaim cash collateral or the obligation to return cash collateral under those arrangements. FSP FIN 39-1 is effective for fiscal years beginning after November 15, 2007. We have not yet commenced evaluating the potential impact, if any, of the adoption of FSP FIN 39-1 on our consolidated financial position, results of operations and cash flows.

In February 2007, the FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, which provides companies with an option to report selected financial assets and liabilities at fair value. The new statement establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of a company's choice to use fair value on its earnings. The new statement also requires entities to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. FASB Statement No. 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in FASB Statements No. 157, *Fair Value Measurements*, and No. 107, *Disclosures about Fair Value of Financial Instruments.* FASB Statement No. 159 is effective as

of the beginning of an entity's first fiscal year beginning after November 15, 2007. We have not yet commenced evaluating the potential impact, if any, of the adoption of FASB Statement No. 159 on our consolidated financial position, results of operations and cash flows.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. FASB Statement No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact, if any, of the adoption of FASB Statement No. 157 on our consolidated financial position, results of operations and cash flows.

We have determined that all other recently issued accounting pronouncements will not have a material impact on our consolidated financial position, results of operations and cash flows, or do not apply to our operations.

2. Acquisition of Novelis Common Stock

On May 15, 2007, the Company was acquired by Hindalco through its indirect wholly-owned subsidiary AV Metals Inc. (Acquisition Sub) pursuant to a plan of arrangement (Arrangement) entered into on February 10, 2007 and approved by the Ontario Superior Court of Justice on May 14, 2007. As a result of the Arrangement, Acquisition Sub acquired all of the Company's outstanding common shares at a price of $44.93 per share, and all outstanding stock options and other equity incentives were terminated in exchange for cash payments. The aggregate purchase price for the Company's common shares was $3.4 billion and immediately following the Arrangement, the common shares of the Company were transferred from Acquisition Sub to its wholly-owned subsidiary AV Aluminum Inc. (AV Aluminum). Hindalco also assumed $2.8 billion of Novelis' debt for a total transaction value of $6.2 billion.

On June 22, 2007, we issued 2,044,122 additional common shares to AV Aluminum for $44.93 per share resulting in an additional equity contribution of approximately $92 million. This contribution was equal in amount to certain payments made by Novelis related to change in control compensation to certain employees and directors, lender fees and other transaction costs incurred by the Company. As this transaction was approved by the Company and executed subsequent to the Arrangement, the $92 million is not included in the determination of total consideration.

Purchase Price Allocation and Goodwill

As a result of the Arrangement, the consideration and transaction costs paid by Hindalco in connection with the transaction have been "pushed down" to us and have been allocated to the assets acquired and liabilities assumed in accordance with FASB Statement No. 141. The following table summarizes total consideration paid under the Arrangement (in millions).

Purchase of all outstanding 75,415,536 shares at $44.93 per share	$ 3,388
Direct transaction costs incurred by Hindalco	17
Total consideration	$ 3,405

In accordance with FASB Statement No. 141, total consideration of $3,405 million has been initially allocated to the assets acquired and liabilities assumed based on our preliminary estimates of fair value, using methodologies and assumptions that we believe are reasonable. To estimate fair values, we considered a number of factors, including appraisals and the application of multiples to discounted cash flow estimates.

There is considerable management judgment with respect to cash flow estimates and appropriate multiples used in determining fair value.

The following table shows the preliminary allocation of the total consideration to assets acquired and liabilities assumed as of the date of the Arrangement (in millions).

Assets acquired:	
Current assets	$ 3,210
Property, plant and equipment	3,350
Goodwill	2,341
Intangible assets	879
Investment in and advances to non-consolidated affiliates	762
Fair value of derivative instruments — net of current portion	3
Deferred income tax assets	117
Other long-term assets	110
Total assets acquired	10,772
Liabilities assumed:	
Accounts payable	(1,612)
Accrued expenses and other current liabilities	(738)
Debt, including current portion and short-term borrowings	(2,824)
Deferred income tax liabilities, including current portion	(874)
Accrued postretirement benefits	(430)
Other long-term liabilities	(736)
Minority interests in equity of consolidated affiliates	(153)
Total liabilities assumed	(7,367)
Total consideration	$ 3,405

Intangible assets include (1) $124 million for a favorable energy supply contract in North America, recorded at its estimated fair value, (2) $15 million for other favorable supply contracts in Europe and (3) $9 million for the estimated value of acquired in-process research and development projects that had not yet reached technological feasibility. In accordance with FASB Statement No. 141, the $9 million of acquired in-process research and development was expensed upon acquisition and charged to *Research and development expenses* in the period from May 16, 2007 through September 30, 2007.

The preliminary allocation shown above includes a total of $685 million for the fair value of liabilities associated with unfavorable sales contracts ($371 million included in *Other long-term liabilities* and $314 million included in *Accrued expenses and other liabilities*). Of this amount, $655 million relates to unfavorable sales contracts in North America. These contracts include a ceiling over which metal purchase costs cannot contractually be passed through to certain customers, unless adjusted. Subsequent to the Arrangement, the fair values of these liabilities are credited to *Net sales* over the remaining lives of the underlying contracts. The reduction of these liabilities does not affect our cash flows.

Certain amounts are subject to change as remaining information on the fair values is received and valuation analyses are finalized. Specifically, we continue to evaluate the valuation and useful lives of the acquired tangible and intangible assets, the allocation of fair value to our reporting units, and the income tax implications of the new basis of accounting triggered by the Arrangement. These final valuations and other

studies will be performed by Hindalco and Novelis, and the final fair values and allocations may differ materially from our preliminary estimates shown above. We expect to complete our final allocation of the total consideration by March 31, 2008.

The goodwill resulting from the Arrangement reflects the value of our in-place workforce, deferred income taxes associated with the fair value adjustments and potential synergies. The majority of the push down adjustments, including goodwill, will not impact our cash flows and are not expected to be deductible for income tax purposes.

We incurred a total of $64 million in fees and expenses related to the Arrangement, of which $32 million was incurred in each of the periods from April 1, 2007 through May 15, 2007 and the three months ended March 31, 2007. These fees and expenses are included in *Sale transaction fees* in our condensed consolidated statements of operations.

Unaudited Condensed Consolidated Pro Forma Results

The unaudited condensed consolidated pro forma results of operations provided below for the three and six month periods ended September 30, 2006 are presented as though the Arrangement had occurred at the beginning of the six months ended September 30, 2006, after giving effect to purchase accounting adjustments related to depreciation and amortization of the revalued assets and liabilities, interest expense and other acquisition related adjustments in connection with the Arrangement. The pro forma results include estimates and assumptions that management believes are reasonable. However, pro forma results are not necessarily indicative of the results that would have occurred if the acquisition had been in effect on the dates indicated, or which may result in future periods.

	Three Months Ended September 30, 2006	Six Months Ended September 30, 2006
Net sales	$ 2,578	$ 5,233
Loss before provision for taxes and minority interests' share	$ (129)	$ (144)
Net loss	$ (75)	$ (74)

3. Restructuring Programs

We recognized no restructuring costs during the three months ended September 30, 2007 and $1 million in each of the periods from May 16, 2007 through September 30, 2007 and from April 1, 2007 through May 15, 2007, relating primarily to restructuring actions begun during 2006 in two of our European facilities.

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

All restructuring provisions and recoveries are included in *Other (income) expenses — net* in the accompanying condensed consolidated statements of operations unless otherwise stated. The following table summarizes the activity in our restructuring liabilities (all of which relate to our Europe operating segment) (in millions).

	Europe		
	Severance Reserves	Other Exit Related Reserves	Total Restructuring Reserves
Predecessor:			
Balance as of March 31, 2007	$ 18	$ 18	$ 36
April 1, 2007 through May 15, 2007 Activity:			
Provisions — net	1	—	1
Cash payments	—	(1)	(1)
Adjustments — other	—	1	1
Balance as of May 15, 2007	19	18	37
Successor:			
May 16, 2007 through June 30, 2007 Activity:			
Provisions — net	1	—	1
Cash payments	(2)	(1)	(3)
Balance as of June 30, 2007	18	17	35
July 1, 2007 to September 30, 2007 Activity:			
Cash payments	(5)	(1)	(6)
Balance as of September 30, 2007	$ 13	$ 16	$ 29

4. Inventories

Inventories consist of the following (in millions).

	As of	
	September 30, 2007 *Successor*	March 31, 2007 *Predecessor*
Finished goods	$ 368	$ 369
Work in process	396	359
Raw materials	655	684
Supplies	77	120
	1,496	1,532
Allowances	(2)	(49)
Inventories	$ 1,494	$ 1,483

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

5. Property, Plant and Equipment

Property, plant and equipment — net, consists of the following (in millions).

	As of	
	September 30, 2007 *Successor*	March 31, 2007 *Predecessor*
Land and property rights	$ 255	$ 97
Buildings	699	895
Machinery and equipment	2,387	4,699
	3,341	5,691
Accumulated depreciation and amortization	(142)	(3,674)
	3,199	2,017
Construction in progress	99	89
Property, plant and equipment — net	$ 3,298	$2,106

Depreciation and amortization expense related to property, plant and equipment is shown in the table below (in millions).

	Three Months Ended September 30,		May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	2007 *Successor*	2006 *Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Depreciation and amortization expense related to property, plant and equipment	$ 92	$ 56	$ 141	$ 28	$ 115

6. Goodwill and Intangible Assets

Goodwill

The following table summarizes the balances and activity in goodwill by operating segment (in millions).

	Successor			*Predecessor*		
Operating Segment	Balance as of May 16, 2007	Cumulative Translation Adjustment	Balance as of September 30, 2007	Balance as of March 31, 2007	Cumulative Translation Adjustment	Balance as of May 15, 2007
North America	$ 1,527	$ —	$ 1,527	$ —	$ —	$ —
Europe	389	6	395	239	5	244
Asia	162	(3)	159	—	—	—
South America	263	—	263	—	—	—
	$ 2,341	$ 3	$ 2,344	$ 239	$ 5	$ 244

Intangible Assets

The following table summarizes the components of intangible assets (in millions).

	As of							
	September 30, 2007 *Successor*				March 31, 2007 *Predecessor*			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life
Tradenames	$ 83	$ (1)	$ 82	20 years	$ 14	$ (6)	$ 8	15 years
Technology	171	(4)	167	15 years	20	(8)	12	15 years
Customer relationships	483	(9)	474	20 years	—	—	—	
Favorable energy supply contract	123	(5)	118	9.5 years	—	—	—	
Other favorable contracts	15	(2)	13	3.3 years	—	—	—	
	$ 875	$ (21)	$ 854	17.2 years	$ 34	$ (14)	$ 20	15 years

Our favorable energy supply contract and other favorable contracts are amortized over their estimated useful lives using methods that reflect the pattern in which the economic benefits are expected to be consumed. All other intangible assets are amortized using the straight-line method.

Amortization expense related to intangible assets is shown in the table below (in millions), and includes $5 million and $8 million included in *Cost of goods sold* related to the favorable energy supply and other favorable contracts for the three months ended September 30, 2007 and for the period from May 16, 2007 through September 30, 2007, respectively.

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Amortization expense related to intangible assets	$ 15	$ 1	$ 22	$ —	$ 1

Estimated amortization expense related to intangible assets for each of the five succeeding fiscal years is shown in the table below (in millions). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, remeasurement of amounts valued in foreign currencies and other events.

Fiscal Year Ending March 31,	
2008 (remaining six months)	$ 31
2009	59
2010	57
2011	54
2012	53

7. Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions

The following table summarizes the ownership structure and our ownership percentage of the non-consolidated affiliates in which we have an investment as of September 30, 2007 and which we account for using the equity method. We have no material investments that we account for using the cost method.

Affiliate Name	Ownership Structure	Ownership Percentage
Aluminium Norf GmbH	Corporation	50%
Consorcio Candonga	Unincorporated Joint Venture	50%
MiniMRF LLC	Limited Liability Company	50%
Deutsche Aluminium Verpackung Recycling GmbH	Corporation	30%
France Aluminium Recyclage S.A.	Public Limited Company	20%

In September 2007, we completed the dissolution of EuroNorca Partners, and we received approximately $2 million in the completion of liquidation proceedings. No gain or loss was recognized on the liquidation.

In November 2006, we sold the common and preferred shares of our 25% interest in Petrocoque S.A. Industria e Comercio (Petrocoque) to the other shareholders of Petrocoque. Prior to the sale, we accounted for Petrocoque using the equity method of accounting. The results of operations of Petrocoque for the three and six month periods ended September 30, 2006 are included in the table below.

We do not control our non-consolidated affiliates, but have the ability to exercise significant influence over their operating and financial policies. The following table summarizes (on a 100% basis, in millions) the condensed and combined results of operations of our equity method affiliates, on a historical basis of accounting. These results do not include the incremental depreciation and amortization expense that we record in our equity method accounting, which arises as a result of the amortization of fair value adjustments we made to our investments in non-consolidated affiliates, due to the Arrangement. For the three months ended September 30, 2007 and the period from May 16, 2007 through September 30, 2007, we recorded incremental depreciation and amortization expense of $8 million and $11 million, respectively as part of our equity method accounting for these affiliates.

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Net sales	$ 138	$ 144	$ 223	$ 45	$ 288
Costs, expenses and provisions for taxes on income	130	129	211	43	268
Net income	$ 8	$ 15	$ 12	$ 2	$ 20

Included in the accompanying condensed consolidated financial statements are transactions and balances arising from business we conduct with these non-consolidated affiliates, which we classify as related party

transactions and balances. The following table describes the nature and amounts of significant transactions that we had with related parties (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Purchases of tolling services and electricity					
Aluminium Norf GmbH(A)	$ 66	$ 60	$ 106	$ 21	$ 118
Consorcio Candonga(B)	$ 3	$ 3	$ 6	$ 1	$ 7
Petrocoque(C)	n.a.	$ 1	n.a.	$ —	$ 1
Interest income					
Aluminium Norf GmbH(D)	$ —	$ 1	$ —	$ —	$ 1

n.a. not applicable — see (C).

(A) We purchase tolling services (the conversion of customer-owned metal) from Aluminium Norf GmbH.

(B) We purchase electricity from Consorcio Candonga for our operations in South America.

(C) We purchase calcined-coke from Petrocoque for use in our smelting operation in South America. As previously discussed, we sold our interest in Petrocoque in November 2006. They are not considered a related party subsequent to the quarter ended December 31, 2006.

(D) We earn interest income on a loan due from Aluminium Norf GmbH.

The following table describes the period-end account balances that we have with these non-consolidated affiliates, shown as related party balances in the accompanying condensed consolidated balance sheets (in millions). We have no other material related party balances.

	As of September 30, 2007	As of March 31, 2007
	Successor	*Predecessor*
Accounts receivable(A)	$ 27	$ 25
Other long-term receivables(A)	$ 46	$ 54
Accounts payable(B)	$ 53	$ 49

(A) The balances represent current and non-current portions of a loan due from Aluminium Norf GmbH.

(B) We purchase tolling services from Aluminium Norf GmbH and electricity from Consorcio Candonga.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities are comprised of the following (in millions).

	As of	
	September 30, 2007 *Successor*	March 31, 2007 *Predecessor*
Accrued compensation and benefits	$ 123	$ 138
Accrued settlement of legal claim	39	39
Accrued interest payable	15	24
Accrued income taxes	33	9
Current portion of unfavorable sales contracts	276	—
Current portion of fair value of derivative instruments	81	33
Other current liabilities	240	237
Accrued expenses and other current liabilities	$ 807	$ 480

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

9. Debt

Debt consists of the following (in millions).

	As of				
	September 30, 2007				March 31, 2007
			Successor		
	Interest Rates (A)	Principal	Unamortized Fair Value Adjustments (B)	Carrying Value	*Predecessor* Principal
Novelis Inc.					
Floating rate Term Loan, due July 2014	7.20%	$ 299	$ —	$ 299	$ —
Floating rate Term Loan B(C)	—	—	—	—	259
7.25% Senior Notes, due February 2015	7.25%	1,399	71	1,470	1,400
Novelis Corporation					
Floating rate Term Loan, due July 2014	7.20%	659	—	659	—
Floating rate Term Loan B(C)	—	—	—	—	449
Novelis Switzerland S.A.					
Capital lease obligation, due January 2020 (Swiss francs (CHF) 55 million)	7.50%	47	(4)	43	46
Capital lease obligation, due August 2011 (CHF 4 million)	2.49%	3	—	3	4
Novelis Korea Limited					
Bank loan, due December 2007	4.55%	70	(1)	69	70
Bank loan (Korean won (KRW) 40 billion)(D)	—	—	—	—	42
Bank loan, due December 2007 (KRW 25 billion)	4.45%	27	—	27	27
Bank loans, due September 2008 through June 2011 (KRW 1 billion)	3.92%(E)	1	—	1	1
Other					
Other debt, due April 2008 through December 2012	2.21%(E)	2	—	2	2
Total debt		2,507	66	2,573	2,300
Less: current portion		(14)	—	(14)	(143)
Long-term debt — net of current portion		$ 2,493	$ 66	$ 2,559	$ 2,157

(A) Interest rates are as of September 30, 2007 and exclude the effects of accretion/amortization of fair value adjustments as a result of the Arrangement.

(B) Debt was recorded at fair value as a result of the Arrangement (see Note 2 — Acquisition of Novelis Common Stock).

(C) The Floating rate Term Loan B was refinanced in July 2007. See *New Senior Secured Credit Facilities*.

(D) The Bank loan was refinanced in August 2007 with a short-term borrowing. See *Korean Bank Loans*.

(E) Weighted average interest rate.

New Senior Secured Credit Facilities

On May 25, 2007, we entered into a Bank and Bridge Facilities Commitment with affiliates of UBS and ABN AMRO, to provide backstop assurance for the refinancing of our existing indebtedness following the Arrangement. The commitments from UBS and ABN AMRO, provided by the banks on a 50%-50% basis, consisted of a senior secured term loan of up to $1.06 billion; a senior secured asset-based revolving credit facility of up to $900 million and a commitment to issue up to $1.2 billion of unsecured senior notes, if necessary. The commitment contained terms and conditions customary for facilities of this nature.

In connection with these backstop commitments, we paid fees totaling $14 million, which were included in *Other long-term assets — third parties* as of June 30, 2007. Of this amount, $6 million was related to the unsecured senior notes, which were not refinanced, and was written off during the quarter ended September 30, 2007. The remaining $8 million in fees paid have been credited by the lenders towards fees associated with the new senior secured credit facilities (described below) and will be amortized over the lives of the related borrowings.

On July 6, 2007, we entered into new senior secured credit facilities with a syndicate of lenders led by affiliates of UBS and ABN AMRO (New Credit Facilities) providing for aggregate borrowings of up to $1.76 billion. The New Credit Facilities consist of (1) a $960 million seven-year Term Loan facility (Term Loan facility) and (2) an $800 million five year multi-currency asset-based revolving credit line and letter of credit facility (ABL facility).

Under the Term Loan facility, loans characterized as alternate base rate (ABR) borrowings bear interest annually at a rate equal to the alternate base rate (which is the greater of (a) the base rate in effect on a given day and (b) the federal funds effective rate in effect on a given day, plus 0.50%) plus the applicable margin, and loans characterized as Eurocurrency borrowings bear interest at an annual rate equal to the adjusted LIBOR rate for the interest period in effect, plus the applicable margin.

Under the ABL facility, interest charged is dependent on the type of loan: (1) any swingline loan or any loan categorized as an ABR borrowing will bear interest at an annual rate equal to the alternate base rate (which is the greater of (a) the base rate in effect on a given day and (b) the federal funds effective rate in effect on a given day, plus 0.50%), plus the applicable margin; (2) Eurocurrency loans will bear interest at an annual rate equal to the adjusted LIBOR rate for the applicable interest period, plus the applicable margin; (3) loans designated as Canadian base rate borrowings will bear an annual interest rate equal to the Canadian base rate (CAPRIME), plus the applicable margin; (4) loans designated as bankers acceptances (BA) rate loans will bear interest at the average discount rate offered for bankers' acceptances for the applicable BA interest period, plus the applicable margin and (5) loans designated as Euro Interbank Offered Rate (EURIBOR) loans will bear interest annually at a rate equal to the adjusted EURIBOR rate for the applicable interest period, plus the applicable margin. Applicable margins under the ABL facility depend upon excess availability levels calculated on a quarterly basis.

Generally, for both the Term Loan facility and ABL facility, interest rates reset every three months and interest is payable on a monthly, quarterly or other periodic basis depending on the type of loan.

The proceeds from the Term Loan facility of $960 million, drawn in full at the time of closing, and the initial draw of $324 million under the ABL facility were used to pay off the existing senior secured credit facility (discussed below), pay for debt issuance costs of the New Credit Facilities and provide for additional working capital. Mandatory minimum principal amortization payments under the Term Loan facility are $2.4 million per calendar quarter. The first mandatory minimum principal amortization payment was made on

September 28, 2007. Additional mandatory prepayments are required to be made in the event of certain collateral liquidations, asset sales, debt and preferred stock issuances, equity issuances, casualty events and excess cash flow (as defined in the New Credit Facilities). Any unpaid principal remaining is due in full on July 6, 2014.

Borrowing limits under the ABL facility are generally based on 85% of eligible accounts receivable and 75% to 85% of eligible inventories. Commitment fees of 0.25% to 0.375% are based on average daily amounts outstanding under the ABL facility during a fiscal quarter, and are payable quarterly.

The New Credit Facilities include customary affirmative and negative covenants. Under the ABL facility, if our excess availability, as defined under the borrowing, is less than 10% of the borrowing base, we are required to maintain a minimum fixed charge coverage ratio of 1 to 1. Substantially all of our assets are pledged as collateral under the New Credit Facilities.

We incurred debt issuance costs on our New Credit Facilities totaling $30 million, including the $8 million in fees previously paid in conjunction with the backstop commitment. These fees are included in *Other long-term assets — third parties* and are being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs — net* using the "effective interest amortization" method for the Term Loan facility and the straight-line method for the ABL facility. The unamortized amount of these costs was $28 million as of September 30, 2007.

Old Senior Secured Credit Facilities

In connection with our spin-off from Alcan, we entered into senior secured credit facilities (Old Credit Facilities) providing for aggregate borrowings of up to $1.8 billion. The Old Credit Facilities consisted of (1) a $1.3 billion seven-year senior secured Term Loan B facility, bearing interest at London Interbank Offered Rate (LIBOR) plus 1.75% (which was subject to change based on certain leverage ratios), all of which was borrowed on January 10, 2005, and (2) a $500 million five-year multi-currency revolving credit and letters of credit facility.

The Old Credit Facilities included customary affirmative and negative covenants, as well as financial covenants relating to our maximum total leverage, minimum interest coverage, and minimum fixed charge coverage ratios. Substantially all of our assets were pledged as collateral under the Old Credit Facilities.

The terms of our Old Credit Facilities required that we deliver unaudited quarterly and audited annual financial statements to our lenders within specified periods of time. Due to delays in certain of our SEC filings for 2005 and 2006, we obtained a series of five waiver and consent agreements from the lenders under the facility to extend the various filing deadlines. Fees paid related to the five waiver and consent agreements totaled $6 million.

On October 16, 2006, we amended the financial covenants to our Old Credit Facilities. In particular, we amended our maximum total leverage, minimum interest coverage, and minimum fixed charge coverage ratios through the quarter ending March 31, 2008.

We also amended and modified other provisions of the Old Credit Facilities to permit more efficient ordinary-course operations, including increasing the amounts of certain permitted investments and receivables securitizations, permitting nominal quarterly dividends, and the transfer of an intercompany loan to another subsidiary. In return for these amendments and modifications, we paid aggregate fees of approximately $3 million to lenders who consented to the amendments and modifications, and agreed to continue paying higher applicable margins on our Old Credit Facilities and higher unused commitment fees on our revolving credit facilities that were instated with a prior waiver and consent agreement in May 2006. Commitment fees related to the unused portion of the $500 million revolving credit facility were 0.625% per annum.

On April 27, 2007, our lenders consented to a further amendment of our Old Credit Facilities. The amendment included permission to increase the Term Loan B facility by $150 million. We utilized the additional funds available under the Term Loan B facility to reduce the outstanding balance of our $500 million revolving credit facility. The additional borrowing capacity under the revolving credit facility was used to fund working capital requirements and certain costs associated with the Arrangement, including the cash settlement of share-based compensation arrangements and lender fees. Additionally, the amendment included a limited waiver of the change of control Event of Default (as defined in the senior secured credit facilities) which effectively extended the requirement to repay the Old Credit Facilities to July 11, 2007. We paid fees of approximately $2 million to lenders who consented to this amendment.

Total debt issuance costs of $43 million, including amendment fees and the waiver and consent agreements discussed above, had been recorded in *Other long-term assets — third parties* and were being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs — net* using the "effective interest amortization" method for the Term Loans and the straight-line method for the revolving credit and letters of credit facility. The unamortized amount of these costs was $26 million as of March 31, 2007. We incurred an additional $2 million in debt issuance costs as described above during the period from April 1, 2007 through May 15, 2007. As a result of the Arrangement and the recording of debt at fair value, the total amount of unamortized debt issuance costs of $28 million was reduced to zero as of May 15, 2007.

7.25% Senior Notes

On February 3, 2005, we issued $1.4 billion aggregate principal amount of senior unsecured debt securities (Senior Notes). The Senior Notes were priced at par, bear interest at 7.25% and mature on February 15, 2015. Debt issuance costs totaling $28 million had been included in *Other long-term assets — third parties* and were being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs — net* using the "effective interest amortization" method. The unamortized amount of these costs was $24 million as of March 31, 2007. As a result of the Arrangement and the recording of debt at fair value, the total amount of unamortized debt issuance costs of $23 million was reduced to zero as of May 15, 2007.

As a result of the Arrangement, the Senior Notes were recorded at their fair value of $1.474 billion based on their market price of 105.25% of $1,000 face value per bond as of May 14, 2007. The incremental fair value of $74 million is being amortized to interest income over the remaining life of the Senior Notes in *Interest expense and amortization of debt issuance costs — net* using the "effective interest amortization" method. Due to the change in the market price of our Senior Notes from 105.25% as of May 14, 2007 to 97.75% as of September 30, 2007, the estimated fair value of this debt has decreased $106 million to $1.368 billion (after considering the repurchase of approximately $1 million of the Senior Notes pursuant to the tender offer discussed below).

Under the indenture that governs the Senior Notes, we are subject to certain restrictive covenants applicable to incurring additional debt and providing additional guarantees, paying dividends beyond certain amounts and making other restricted payments, sales and transfers of assets, certain consolidations or mergers, and certain transactions with affiliates. We were in compliance with these covenants for the quarter ended September 30, 2007.

The indenture governing the Senior Notes and the related registration rights agreement required us to file a registration statement for the notes and exchange the original, privately placed notes for registered notes. Under the indenture and the related registration rights agreement, we were required to complete the exchange offer for the Senior Notes by November 11, 2005. We did not complete the exchange offer by that date and, as a result, we began to incur additional special interest at rates ranging from 0.25% to 1.00%. We filed a

post-effective amendment to the registration statement on December 1, 2006 which was declared effective by the SEC on December 22, 2006. We ceased paying additional special interest effective January 5, 2007, upon completion of the exchange offer.

Tender Offer and Consent Solicitation for 7.25% Senior Notes

Pursuant to the terms of the indenture governing our Senior Notes, we were obligated, within 30 days of closing of the Arrangement, to make an offer to purchase the Senior Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date the Senior Notes were purchased. Consequently, we commenced a tender offer on May 16, 2007, to repurchase all of the outstanding Senior Notes at the prescribed price. This offer expired on July 3, 2007 with holders of approximately $1 million of principal presenting their Senior Notes pursuant to the tender offer.

Korean Bank Loans

In November 2004, Novelis Korea Limited (Novelis Korea), formerly Alcan Taihan Aluminium Limited, entered into a Korean won (KRW) 40 billion ($40 million) floating rate long-term loan due November 2007. We immediately entered into an interest rate swap to fix the interest rate at 4.80%. In August 2007, we refinanced this loan with a floating rate short-term borrowing in the amount of $40 million due by August 2008. We recognized a loss on extinguishment of debt of less than $1 million in connection with this refinancing. Additionally, we immediately entered into an interest rate swap and cross currency swap for the loan through a 3.94% fixed rate KRW 38 billion loan.

In December 2004, we entered into (1) a $70 million floating rate loan and (2) a KRW 25 billion ($25 million) floating rate loan, both due in December 2007. We immediately entered into an interest rate and cross currency swap on the $70 million floating rate loan through a 4.55% fixed rate KRW 73 billion loan and an interest rate swap on the KRW 25 billion floating rate loan to fix the interest rate at 4.45%. On October 25, 2007, we entered into a $100 million floating rate loan due October 2010 and immediately repaid the $70 million loan. We intend to repay the KRW 25 billion loan by its scheduled maturity date in December 2007 from the proceeds of this new borrowing. Consequently, both of the Korean bank loans originally due December 2007 have been classified as long-term in our September 30, 2007 condensed consolidated balance sheet. Additionally, we immediately entered into an interest rate swap and cross currency swap for the $100 million floating rate loan through a 5.44% fixed rate KRW 92 billion loan.

During the periods from May 16, 2007 through September 30, 2007 and from April 1, 2007 through May 15, 2007, interest rates on other Korean bank loans for $1 million (KRW 1 billion) ranged from 3.50% to 5.50%.

Other Agreements

In May 2007, we terminated a loan and a corresponding deposit-and-guarantee agreement for $80 million. We did not include the loan or deposit amounts in our condensed consolidated balance sheet as of March 31, 2007 as the agreement included a legal right of setoff and we had the intent and ability to setoff.

Interest Rate Swaps

As noted above, we entered into interest rate swaps on certain Korean bank loans. On July 3, 2007, we terminated an interest rate swap we had to fix the 3-month LIBOR interest rate at an effective weighted average interest rate of 3.9% on $100 million of the floating rate Term Loan B debt, which was originally scheduled to expire on February 3, 2008. The termination resulted in a gain of less than $1 million. As of September 30, 2007, approximately 58% of our debt was fixed rate and approximately 42% was variable rate.

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Capital Lease Obligations

In December 2004, we entered into a fifteen-year capital lease obligation with Alcan for assets in Sierre, Switzerland, which has an interest rate of 7.5% and calls for fixed quarterly payments of CHF 1.7 million, which is equivalent to $1.5 million at the exchange rate as of September 30, 2007.

In September 2005, we entered into a six-year capital lease obligation for equipment in Switzerland which has an interest rate of 2.49% and calls for fixed monthly payments of CHF 0.1 million, which is equivalent to $0.1 million at the exchange rate as of September 30, 2007.

Short Term Borrowings and Lines of Credit

As of September 30, 2007, our short-term borrowings were $243 million consisting of (1) $180 million of short-term loans under our ABL facility, (2) a $40 million short-term loan in Korea and (3) $23 million in bank overdrafts. As of September 30, 2007, $26 million of our ABL facility was utilized for letters of credit and we had approximately $580 million in remaining availability under this revolving credit facility.

As of September 30, 2007, we had an additional $74 million outstanding under letters of credit in Korea not included in our ABL facility. The weighted average interest rate on our total short-term borrowings was 6.38% and 7.77% as of September 30, 2007 and March 31, 2007, respectively.

10. Accumulated Other Comprehensive Income

Other comprehensive income is comprised of the following (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Net change in foreign currency translation adjustments	$ 27	$ 11	$ 14	$ 31	$ 68
Net change in fair value of effective portion of hedges	2	11	4	(1)	(23)
Postretirement benefit plans:					
Amortization of net actuarial loss	—	—	—	(1)	—
Net change in minimum pension liability	—	(1)	—	—	(4)
Net other comprehensive income adjustments, before income tax effect	29	21	18	29	41
Income tax effect	2	—	12	4	—
Other comprehensive income	$ 31	$ 21	$ 30	$ 33	$ 41

Accumulated other comprehensive income, net of income tax effects, is comprised of the following (in millions).

	As of	
	September 30, 2007 *Successor*	March 31, 2007 *Predecessor*
Foreign currency translation adjustments	$ 28	$ 144
Fair value of effective portion of hedges — net	2	(43)
Net actuarial loss	—	(82)
Net prior service cost	—	(8)
Net transition obligation	—	(1)
Accumulated other comprehensive income	$ 30	$ 10

11. Share-Based Compensation

Effect of Acquisition by Hindalco

As a result of the Arrangement (see Note 2 — Acquisition of Novelis Common Stock), all of our share-based compensation awards (except for our Recognition Awards) were accelerated to vest, cancelled and settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction. We made aggregate cash payments (including applicable payroll-related taxes) totaling $72 million to plan participants following consummation of the Arrangement, as follows:

Predecessor:	Shares/Units Settled	Cash Payments (In millions)
Novelis 2006 Incentive Plan (stock options)	825,850	$ 16
Novelis 2006 Incentive Plan (stock appreciation rights)	378,360	7
Novelis Conversion Plan of 2005	1,238,183	29
Stock Price Appreciation Unit Plan	299,873	7
Deferred Share Unit Plan for Non-Executive Directors	109,911	5
Novelis Founders Performance Awards	180,400	8
		$ 72

Compensation expense of $45 million resulting from the accelerated vesting of plan awards is included in *Selling, general and administrative expenses* in our condensed consolidated statement of operations for the period from April 1, 2007 through May 15, 2007. We also recorded a $7 million reduction to our *Additional paid-in capital* during the period from April 1, 2007 through May 15, 2007 for the conversion of certain of our share-based compensation plans from equity-based plans to liability-based plans.

Our Recognition Awards plan remains in place as of September 30, 2007. However, the awards are now payable only in either, at the option of the Executive (defined below), (i) Hindalco common shares (if offered by Hindalco) or (ii) cash.

Recognition Awards

On September 25, 2006, we entered into Recognition Agreements and granted Recognition Awards to certain executive officers and other key employees (Executives) to retain and reward them for continued dedication towards corporate objectives. Under the terms of these agreements, Executives who remain

continuously employed by us through the vesting dates of December 31, 2007 and December 31, 2008 are entitled to receive one-half of their total Recognition Awards on each vesting date.

On February 10, 2007, our board of directors adopted resolutions to amend the Recognition Awards with the Executives. As amended, if the Executive remains continuously employed by us through the vesting dates of December 31, 2007 and December 31, 2008, the Executive is entitled to the awards, payable at a value of $44.93 per share, in either, at the option of the Executive, (i) Hindalco common shares (if offered by Hindalco) or (ii) cash.

The number of Recognition Awards payable under the agreements varies by Executive. Currently, there are 118,100 shares subject to award. Prior to the Arrangement and in accordance with the provisions of FASB Statement No. 123 (Revised), *Share-Based Payment*, we valued these awards as of the issuance date and were recognizing their cost over the requisite service period of the Executives. As a result of the Arrangement, the Recognition Awards changed in classification from an equity-based to a liability-based plan using the $44.93 purchase price per common share paid by Hindalco in the transaction as the per share value. This classification change resulted in additional share-based compensation expense of $1.3 million during the period from April 1, 2007 through May 15, 2007.

The table below shows the activity for our Recognition Awards.

	Number of Recognition Awards	Weighted Average Fair Value at Grant Date	Award Redemption Price
Predecessor:			
Recognition Awards as of March 31, 2007	145,800	$ 23.15	
Granted	—		
Vested	—		
Forfeited/Cancelled	—		
Recognition Awards as of May 15, 2007	145,800		$ 44.93
Successor:			
Granted	—		
Vested	—		
Forfeited/Cancelled	(27,700)		
Recognition Awards as of September 30, 2007	118,100		$ 44.93

As of September 30, 2007, there was approximately $1 million of unamortized compensation expense related to each of the two vesting dates for the Recognition Awards, which is expected to be recognized over the next 0.25 years and 1.25 years, respectively.

2006 Stock Options

On October 26, 2006, our board of directors authorized a grant of an aggregate of 885,170 seven-year non-qualified stock options under the Novelis 2006 Incentive Plan (2006 Incentive Plan) at an exercise price of $25.53 to certain of our executive officers and key employees. These options were comprised of equal portions of premium and non-premium options. Both the premium and non-premium options were to vest ratably in 25% annual increments over a four year period measured from October 26, 2006, and could be exercised, in whole or in part, once vested. However, while the premium and non-premium options carry the same exercise price of $25.53, in no event could the premium options be exercised unless the fair market

value per share, as defined in the 2006 Incentive Plan, on the business day preceding the exercise date equals or exceeds $28.59. As a result of the Arrangement, all of our stock options under the 2006 Incentive Plan were accelerated to vest, cancelled and settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction.

The table below shows the option activity (for both premium and non-premium options) under our 2006 Incentive Plan.

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Predecessor:				
Options outstanding as of March 31, 2007	825,850	$ 25.53		
Granted	—	—		
Exercised	—	—		
Forfeited/Cancelled	—	—		
Expired	—	—		
Settled as a result of the Arrangement	(825,850)	$ 25.53		
Options outstanding as of May 15, 2007	—	$ —	—	$ —
Options exercisable as of May 15, 2007	—	$ —	—	$ —

Prior to the Arrangement, we used the Monte Carlo valuation model to determine the fair value of the premium options outstanding under the 2006 Incentive Plan. The Monte Carlo model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award and calculates the fair market value of each award. Because our trading history was shorter than the expected life of the options, we used historical stock price volatility data from comparable companies to supplement our own historical volatility to determine expected volatility assumptions. The annual expected dividend yield was based on dividend payments of $0.01 per share per quarter. Risk-free interest rates were based on U.S. Treasury Strip yields, compounded daily, consistent with the expected lives of the options. The fair value of the premium options was being amortized over the requisite service period of each award, which was originally from one to four years, subject to acceleration in cases where the employee elected retirement or was retirement eligible after October 26, 2007.

Prior to the Arrangement, we used the Black-Scholes valuation model to determine the fair value of non-premium options issued. Because our trading history was shorter than the expected life of the options, we used historical stock price volatility data from comparable companies to supplement our own historical volatility to determine expected volatility assumptions. The annual expected dividend yield was based on dividend payments of $0.01 per share per quarter. Risk-free interest rates were based on U.S. Treasury Strip yields, compounded daily, consistent with the expected lives of the options. Because we did not have a sufficient history of option exercise or cancellation, we estimated the expected life of the options based on an extension of the “simplified method” as prescribed by SEC Staff Accounting Bulletin (SAB) No. 107, *Share-Based Payment*, which allows for the use of a mid-point between the earliest and latest dates that an award can be exercised.

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No premium or non-premium options under the 2006 Incentive Plan were granted during the period from April 1, 2007 through May 15, 2007. Prior to the Arrangement, the fair value of our premium and non-premium options was estimated using the following assumptions:

	April 1, 2007 Through May 15, 2007
	Predecessor
Expected volatility	42.20 to 46.40%
Weighted average volatility	44.30%
Dividend yield	0.16%
Risk-free interest rate	4.68 to 4.71%
Expected life	1.00 to 4.75 years

As a result of the Arrangement, 825,850 premium and non-premium options under the 2006 Incentive Plan were accelerated to vest and were settled in cash for approximately $16 million.

Novelis Conversion Plan of 2005

On January 5, 2005, our board of directors adopted the Novelis Conversion Plan of 2005 (the Conversion Plan) to allow for 1,372,663 Alcan stock options held by employees of Alcan who became our employees following our spin-off from Alcan to be replaced with options to purchase 2,723,914 of our common shares. As a result of the Arrangement, all of our stock options under the Conversion Plan were accelerated to vest, cancelled and settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction.

The table below shows the option activity in our Conversion Plan.

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Predecessor:				
Options outstanding as of March 31, 2007	1,296,952	$ 21.74		
Granted	—	—		
Exercised	(57,876)	$ 20.00		
Forfeited/Cancelled	(893)	$ 23.74		
Expired	—	—		
Settled as a result of the Arrangement	(1,238,183)	$ 21.82		
Options outstanding as of May 15, 2007	—	$ —	—	$ —
Options exercisable as of May 15, 2007	—	$ —	—	$ —

Prior to the Arrangement, we used the Black-Scholes valuation model to determine the fair value of the options outstanding. Because we had no trading history at the time of the valuation, we used historical stock price volatility data from comparable companies to determine expected volatility assumptions. The annual expected dividend yield was based on our then current and anticipated dividend payments. Risk-free interest rates were based on U.S. Treasury bond yields, compounded daily, consistent with the expected lives of the options. Because we did not have a sufficient history of option exercise or cancellation, we estimated the

expected life of the options based on the lesser of the expected term of six years or the remaining life of the option.

No new options under the Conversion Plan were granted since its adoption in January 2005. The fair value of each option was estimated using the following assumptions:

	April 1, 2007 Through May 15, 2007
	Predecessor
Expected volatility	30.30%
Weighted-average volatility	30.30%
Dividend yield	1.56%
Risk-free interest rate	2.88 to 3.73%
Expected life	0.70 to 5.70 years

During the period from April 1, 2007 through May 15, 2007, there were 6,548 options that vested. As a result of the Arrangement, 563,651 options were accelerated to vest with a total fair value of approximately $4 million, and 1,238,183 options were settled in cash using the $44.93 per common share transaction price for approximately $29 million.

Under our Conversion Plan for the period from April 1, 2007 through May 15, 2007, the total intrinsic value of options exercised was approximately $1 million and cash received from options exercised was approximately $1 million. During both the three months and six months ended September 30, 2006, there were 4,298 options exercised at a weighted average exercise price of $18.31.

Stock Appreciation Rights

On October 26, 2006, our board of directors authorized a grant of 381,090 Stock Appreciation Rights (SARs) under the 2006 Incentive Plan at an exercise price of $25.53 to certain of our executive officers and key employees. The terms of the SARs were identical in all material respects to those of the stock options issued under the 2006 Incentive Plan, except that the incremental increase in the value of the SARs was to be settled in cash rather than shares of Novelis' common stock at the time of exercise. The SARs were comprised of two equal portions: premium and non-premium SARs. Both the premium and non-premium SARs vested ratably in 25% annual increments over the four-year period measured from October 26, 2006, and could be exercised, in whole or in part, once vested. However, while the premium and non-premium SARs carried the same exercise price of $25.53, in no event could the premium SARs be exercised unless the fair market value per share, as defined in the 2006 Incentive Plan, on the business day preceding the exercise date equals or exceeds $28.59. As a result of the Arrangement, all of our SARs under the 2006 Incentive Plan were accelerated to vest, cancelled and settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction.

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The table below shows the SARs activity (for both premium and non-premium SARs) under our 2006 Incentive Plan.

	Number of SARs	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Predecessor:				
SARs outstanding as of March 31, 2007	380,000	$ 25.53		
Granted	—	—		
Exercised	—	—		
Forfeited/Cancelled	(1,640)	$ 25.53		
Expired	—	—		
Settled as a result of the Arrangement	(378,360)	$ 25.53		
SARs outstanding as of May 15, 2007	—	$ —	—	$ —
SARs exercisable as of May 15, 2007	—	$ —	—	$ —

Prior to the Arrangement, we used the Monte Carlo valuation model to determine the fair value of the premium SARs outstanding under the 2006 Incentive Plan. The Monte Carlo model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award and calculates the fair market value of each award. Because our trading history was shorter than the expected life of the SARs, we used historical stock price volatility data from comparable companies to supplement our own historical volatility to determine expected volatility assumptions. No quarterly or annual dividend was expected. Risk-free interest rates were based on U.S. Treasury Strip yields, compounded daily, consistent with the expected remaining lives of the premium SARs. The fair value of the premium SARs was being amortized over the requisite remaining service period of each award, which was from 0.57 to 3.57 years as of March 31, 2007, subject to acceleration in cases where the employee elects retirement or is retirement eligible after October 26, 2007.

Prior to the Arrangement, we used the Black-Scholes valuation model to determine the fair value of the non-premium SARs outstanding. Because our trading history was shorter than the expected life of the SARs, we used historical stock price volatility data from comparable companies to supplement our own historical volatility to determine expected volatility assumptions. No quarterly or annual dividend was expected. Risk-free interest rates were based on U.S. Treasury Strip yields, compounded daily, consistent with the expected remaining lives of the SARs. Because we did not have a sufficient history of SAR exercise or cancellation, we estimated the expected remaining life of the SARs based on an extension of the "simplified method" as prescribed by SAB No. 107.

As a result of the Arrangement, 378,360 premium and non-premium SARs were accelerated to vest and were settled in cash for approximately $7 million.

Stock Price Appreciation Unit Plan

Prior to the spin-off, some Alcan employees who later transferred to Novelis held Alcan stock price appreciation units (SPAUs). These units entitled them to receive cash equal to the excess of the market value of an Alcan common share on the exercise date of a SPAU over the market value of an Alcan common share on its grant date. On January 6, 2005, these employees received 418,777 Novelis SPAUs to replace their 211,035 Alcan SPAUs at a weighted average exercise price of $22.04. All converted SPAUs that were vested at the spin-off date continued to be vested. Unvested SPAUs were to vest in four equal annual installments beginning on January 6, 2006, the first anniversary of the spin-off date.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

The table below shows the activity in our SPAU Plan.

	Number of SPAUs	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Predecessor:				
SPAUs outstanding as of March 31, 2007	300,617	$ 21.94		
Granted	—	—		
Exercised	—	—		
Forfeited/Cancelled	(744)	$ 21.49		
Expired	—	—		
Settled as a result of the Arrangement	(299,873)	$ 21.94		
SPAUs outstanding as of May 15, 2007	—	$ —	—	$ —
SPAUs exercisable as of May 15, 2007	—	$ —	—	$ —

Prior to the Arrangement, we used the Black-Scholes valuation model to estimate the fair value of SPAUs granted to employees and to determine the fair value of the SPAUs outstanding. Because our trading history is shorter than the expected life of the SPAUs, we used historical stock price volatility data from comparable companies to supplement our own historical volatility to determine expected volatility assumptions. No quarterly or annual dividend was expected. Risk-free interest rates were based on U.S. Treasury spot rates consistent with the expected remaining lives of the SPAUs. Because we did not have a sufficient history of SPAU exercise or cancellation, we estimated the expected remaining life of the SPAUs based on an extension of the "simplified method" as prescribed by SAB No. 107. As a result of the Arrangement, the SPAUs were valued using the $44.93 purchase price per common share paid by Hindalco in the transaction.

As a result of the Arrangement, 201,495 SPAUs were accelerated to vest and 299,873 SPAUs were settled in cash using the $44.93 per common share transaction price for approximately $7 million.

Deferred Share Unit Plan for Non-Executive Directors

On January 5, 2005, Novelis established the Deferred Share Unit Plan for Non-Executive Directors under which non-executive directors would receive 50% of their compensation payable in the form of directors' deferred share units (DDSUs) and the other 50% in the form of either cash, additional DDSUs or a combination of these two (at the election of each non-executive director). The number of DDSUs was determined by dividing the quarterly amount payable, as elected, by the average closing prices of a common share on the Toronto Stock Exchange (TSX) (adjusted for the noon exchange rate) and New York Stock Exchange (NYSE) on the last five trading days of each quarter. Additional DDSUs representing the equivalent of dividends declared on common shares are credited to each holder of DDSUs. The number of DDSUs outstanding as of March 31, 2007 included DDSUs issued on April 1, 2007, as the required service was provided by the period-end.

The DDSUs were redeemable in cash and/or in shares of our common stock following the participant's retirement from the board. The redemption amount was calculated by multiplying the accumulated balance of DDSUs by the average closing price of a common share on the TSX (adjusted for the noon exchange rate) and NYSE on the last five trading days prior to the redemption date. As a result of the Arrangement, all of our DDSUs were cancelled and settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction.

The table below shows the activity in our DDSU Plan.

	Number of DDSUs	Redemption Price	Aggregate Intrinsic Value
Predecessor:			
DDSUs outstanding as of March 31, 2007	106,578	$ 44.09	
Granted	3,333		
Exercised (paid out)	—		
Forfeited	—		
Expired/Cancelled	—		
Settled as a result of the Arrangement	(109,911)	$ 44.93	
DDSUs outstanding as of May 15, 2007	—	$ —	$ —

As a result of the Arrangement, 109,911 DDSUs were settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction for approximately $5 million.

Novelis Founders Performance Awards

In March 2005 (and amended and restated in March 2006 and February 2007), Novelis established a plan to reward certain key executives with Performance Share Units (PSUs) if Novelis common share price improvement targets were achieved within specific time periods. There were three equal tranches of PSUs, and each had a specific share price improvement target. For the first tranche, the target share price of $23.57 applied for the period from March 24, 2005 to March 23, 2008. For the second tranche, the target share price of $25.31 applied for the period from March 24, 2006 to March 23, 2008. For the third tranche, the target share price of $27.28 applied for the period from March 24, 2007 to March 23, 2008. If awarded, a particular tranche was to be paid in cash on the later of six months from the date the specific common share price target is reached or twelve months after the start of the performance period, and will be based on the average of the daily common share closing prices on the NYSE for the last five trading days prior to the payment date.

The liability for the first tranche was accrued over its term, was valued on March 24, 2006, and was paid in April 2006 in the aggregate amount of approximately $3 million.

In February 2007, our board of directors recognized that the applicable share price threshold had been (or would likely be) met with respect to the second tranche and would probably be met for the third tranche, but in light of the insiders' awareness of the possibility of a change in control transaction, they were subject to a trading blackout. Moreover, it was unlikely that a 15 day open trading window under the Novelis disclosure and insider trading policies would arise prior to the Arrangement. Accordingly, on February 10, 2007, our board of directors further amended the PSUs in order to provide that the applicable threshold for (a) the second tranche was to be met as of February 28, 2007 and (b) the third tranche was to be met as of March 26, 2007, for purposes of PSUs to be awarded.

As a result of the Arrangement, the second and third tranches (represented by 94,450 and 85,950 PSUs, respectively) were settled in cash using the $44.93 purchase price per common share paid by Hindalco in the transaction for a total of approximately $8 million.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Share-Based Compensation Expense

Total share-based compensation expense is presented in the table below (in millions). These amounts are included in *Selling, general and administrative expenses* in our condensed consolidated statements of operations.

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Recognition Awards	$ 0.8	$ —	$ 1.2	$ 1.5	$ —
Novelis 2006 Incentive Plan (stock options)	n.a.	—	n.a.	14.5	—
Novelis 2006 Incentive Plan (stock appreciation rights)	n.a.	—	n.a.	5.6	—
Novelis Conversion Plan of 2005	n.a.	0.8	n.a.	23.8	1.5
Stock Price Appreciation Unit Plan	n.a.	0.8	n.a.	(0.5)	1.1
Deferred Share Unit Plan for Non-Executive Directors	n.a.	0.5	n.a.	0.2	0.9
Novelis Founders Performance Awards	n.a.	1.0	n.a.	0.1	1.3
Total Shareholder Returns Performance Plan	n.a.	0.6	n.a.	—	1.0
Total share-based compensation expense	$ 0.8	$ 3.7	$ 1.2	$ 45.2	$ 5.8

n.a. — not applicable as plan was cancelled.

12. Postretirement Benefit Plans

Components of net periodic benefit cost for our significant pension and other postretirement benefit plans are shown in the tables below (in millions).

Pension Benefit Plans	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Service cost	$ 12	$ 9	$ 18	$ 6	$ 19
Interest cost	12	11	18	6	22
Expected return on assets	(11)	(9)	(16)	(5)	(19)
Amortization					
— actuarial losses	—	1	—	—	3
— prior service cost	—	1	—	—	1
Net periodic benefit cost	$ 13	$ 13	$ 20	$ 7	$ 26

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Other Postretirement Benefit Plans	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Service cost	$ 1	$ 1	$ 2	$ 1	$ 2
Interest cost	2	2	3	1	4
Amortization					
— actuarial losses	—	1	—	—	1
Net periodic benefit cost	$ 3	$ 4	$ 5	$ 2	$ 7

The expected long-term rate of return on plan assets is 7.5% in fiscal 2008.

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to date, and amortize unfunded actuarial liabilities typically over periods of 15 years or less. We also participate in savings plans in Canada and the U.S. as well as defined contribution pension plans in the U.S., U.K., Canada, Germany, Malaysia and Brazil. We contributed the following amounts to all plans, including the Alcan plans that cover our employees (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Funded pension plans	$ 11	$ 8	$ 16	$ 4	$ 13
Unfunded pension plans	4	3	6	2	6
Savings and defined contribution pension plans	4	3	6	2	5
Total contributions	$ 19	$ 14	$ 28	$ 8	$ 24

During the remainder of fiscal 2008, we expect to contribute an additional $20 million to our funded pension plans, $9 million to our unfunded pension plans and $6 million to our savings and defined contribution pension plans.

In October 2007, we completed the transfer of additional U.K. plan assets and liabilities from Alcan to Novelis. Plan liabilities assumed exceeded plan assets received by approximately $7 million. This difference will be recorded as a purchase price adjustment to goodwill in our final purchase price allocation.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

13. Currency Losses (Gains)

The following currency losses (gains) are included in the accompanying condensed consolidated statements of operations (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Net loss (gain) on change in fair value of currency derivative instruments(A)	$ (5)	$ (6)	$ (21)	$ (10)	$ 2
Net loss (gain) on translation of monetary assets and liabilities(B)	2	(5)	9	4	(10)
Net currency losses (gains)	$ (3)	$ (11)	$ (12)	$ (6)	$ (8)

(A) Included in *(Gain) loss on change in fair value of derivative instruments — net* in the accompanying condensed consolidated statements of operations.

(B) Included in *Other (income) expenses — net* in the accompanying condensed consolidated statements of operations.

The following currency gains are included in *Accumulated other comprehensive income* in the accompanying condensed consolidated balance sheets (net of tax effect and in millions).

	May 16, 2007 Through September 30, 2007	January 1, 2007 Through March 31, 2007
	Successor	*Predecessor*
Cumulative currency translation adjustment — beginning of period	$ —	$ 133
Effect of changes in exchange rates	28	11
Cumulative currency translation adjustment — end of period	$ 28	$ 144

14. Financial Instruments and Commodity Contracts

In conducting our business, we use various derivative and non-derivative instruments, including forward contracts, to manage the risks arising from fluctuations in exchange rates, interest rates, aluminum prices and energy prices. Such instruments are used for risk management purposes only. We may be exposed to losses in the future if the counterparties to the contracts fail to perform. We are satisfied that the risk of such non-performance is remote, due to our monitoring of credit exposures. Alcan is the principal counterparty to our aluminum forward contracts.

Certain contracts are designated as hedges of either net investment or cash flows. For these contracts we recognize the change in fair value of the ineffective portion of the hedge as a gain or loss in our current period results of operations. We include the change in fair value of the effective and interest portions of these hedges in *Accumulated other comprehensive income* within Shareholder's equity in the accompanying condensed consolidated balance sheet.

Prior to Completion of the Arrangement

Prior to and during the period from April 1, 2007 through May 15, 2007, we applied hedge accounting to certain of our cross-currency swaps with respect to intercompany loans to several European subsidiaries and

forward exchange contracts. Our Euro and British pound (GBP) cross-currency swaps were designated as net investment hedges, while our Swiss franc (CHF) cross-currency swaps and our Brazilian real (BRL) forward foreign exchange contracts were designated as cash flow hedges. As of May 15, 2007, we had $712 million of cross-currency swaps (Euro 475 million, GBP 62 million and CHF 35 million) and $99 million of forward foreign exchange contracts (BRL 229 million). During the period from April 1, 2007 through May 15, 2007, we implemented cash flow hedge accounting for an electricity swap, which was embedded in a supply contract.

During the period from April 1, 2007 through May 15, 2007, the change in fair value of the effective and interest portions of our net investment hedges was a loss of $8 million and the change in fair value of the effective portion of our cash flow hedges was a gain of $7 million.

Impact of the Arrangement and Purchase Accounting

Concurrent with completion of the Arrangement on May 15, 2007, we dedesignated all hedging relationships. The cumulative change in fair value of effective and interest portions of these hedges, previously presented in *Accumulated other comprehensive income* within Shareholder's equity on May 15, 2007, was incorporated in the new basis of accounting. As a result of purchase accounting, the fair value of all embedded derivative instruments was allocated to the fair value of their respective host contracts, reducing the fair value of embedded derivative instruments to zero.

Subsequent to Completion of the Arrangement

We redesignated our electricity swap, noted below, as a cash flow hedge on June 1, 2007. We redesignated our Euro, GBP and CHF cross-currency swaps, noted above, as net investment hedges on September 1, 2007. We have not applied hedge accounting to any other derivative instruments after May 15, 2007. Subsequent changes in fair value have been recognized in *(Gain) loss on change in fair value of derivative instruments — net* in our condensed consolidated statements of operations.

During the three months ended September 30, 2007 and for the period from May 16, 2007 through September 30, 2007, we recognized pre-tax gains of $2 million and $4 million, respectively, for the change in fair value of the effective portion of our remaining cash flow hedge. As of September 30, 2007, the amount of effective net gains to be realized during the next twelve months is not significant. The maximum period over which we have hedged our exposure to cash flow variability is through November 2016.

During the three months ended September 30, 2007 and for the period from May 16, 2007 through September 30, 2007, we recognized pre-tax losses of $28 million and $28 million, respectively, for the change in fair value of the effective portion of our net investment hedges. As of September 30, 2007, we expect to realize $4 million of effective net losses during the next twelve months. The maximum period over which we have hedged our net investment variability is through February 2015.

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The fair values of our financial instruments and commodity contracts as of September 30, 2007 and March 31, 2007 were as follows (in millions).

	Maturity Dates (Fiscal Year)	As of September 30, 2007 Assets	Liabilities	Net Fair Value
Successor:				
Foreign exchange forward contracts	2008 through 2012	$ 34	$ (44)	$ (10)
Cross-currency swaps	2008 through 2015	—	(141)	(141)
Aluminum forward contracts	2008 through 2010	13	(29)	(16)
Electricity swap	2017	4	(1)	3
Embedded derivative instruments	2008	7	—	7
Natural gas swaps	2008 through 2009	—	(1)	(1)
Total fair value		58	(216)	(158)
Less: current portion(A)		51	(81)	(30)
Noncurrent portion(A)		$ 7	$ (135)	$ (128)

	Maturity Dates (Fiscal Year)	As of March 31, 2007 Assets	Liabilities	Net Fair Value
Predecessor:				
Foreign exchange forward contracts	2008 through 2012	$ 16	$ (20)	$ (4)
Interest rate swaps	2008	2	—	2
Cross-currency swaps	2008 through 2015	6	(90)	(84)
Aluminum forward contracts	2008 through 2010	60	(8)	52
Aluminum options	2008	1	—	1
Electricity swap	2017	60	—	60
Embedded derivative instruments	2008	1	—	1
Natural gas swaps	2008	1	—	1
Total fair value		147	(118)	29
Less: current portion(A)		92	(33)	59
Noncurrent portion(A)		$ 55	$ (85)	$ (30)

(A) The amounts of the current and long-term portions of fair values under assets are each presented in the accompanying condensed consolidated balance sheets. The amounts of the current and noncurrent portions of fair values under liabilities are included in *Accrued expenses and other current liabilities* and *Other long-term liabilities*, respectively, in the accompanying condensed consolidated balance sheets.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

15. Other (Income) Expenses — Net

Other (income) expenses — net is comprised of the following (in millions).

	Three Months Ended September 30,		May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	2007	2006			
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Restructuring charges — net	$ —	$ 10	$ 1	$ 1	$ 12
Exchange (gains) losses — net	2	(5)	9	4	(10)
Losses on disposals of property, plant and equipment — net	—	2	—	—	2
Other — net	(9)	—	(6)	(1)	(1)
Other (income) expenses — net	$ (7)	$ 7	$ 4	$ 4	$ 3

16. Income Taxes

We provide for income taxes using the liability method in accordance with FASB Statement No. 109, *Accounting for Income* Taxes. In accordance with APB Opinion No. 28, *Interim Financial Reporting*, and FASB Interpretation No. 18, *Accounting for Income Taxes in Interim Periods* (FIN No. 18), the provision for taxes on income recognizes our estimate of the effective tax rate expected to be applicable for the full fiscal year, adjusted for the impact of any discrete events, which are reported in the period in which they occur. Each quarter, we re-evaluate our estimated tax expense for the year and make adjustments for changes in the estimated tax rate. Additionally, we evaluate the realizability of our deferred tax assets on a quarterly basis. Our evaluation considers all positive and negative evidence and factors, such as the scheduled reversal of temporary differences, historical and projected future taxable income or losses, and prudent and feasible tax planning strategies.

The *Provision (benefit) for taxes on loss* for (1) the three months ended September 30, 2007 and (2) the periods from May 16, 2007 through September 30, 2007 and from April 1, 2007 through May 15, 2007 were based on the estimated effective tax rates applicable for the fiscal year ending March 31, 2008, after considering items specifically related to the interim periods. The *Provision (benefit) for taxes on loss* for the three and six month periods ended September 30, 2006 were based on the estimated effective tax rates applicable for the fiscal year ended December 31, 2006, after considering items specifically related to the interim periods.

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

A reconciliation of the Canadian statutory tax rates to our effective tax rates is as follows (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Pre-tax loss before equity in net (income) loss of non-consolidated affiliates and minority interests' share	$ (19)	$ (161)	$ (38)	$ (95)	$ (175)
Canadian statutory tax rate	33%	33%	33%	33%	33%
Income taxes (benefit) at the Canadian statutory rate	$ (6)	$ (54)	$ (12)	$ (31)	$ (58)
Increase (decrease) in tax rate resulting from:					
Exchange translation items	27	2	47	23	26
Exchange remeasurement of deferred income taxes	4	(1)	7	3	(1)
Change in valuation allowances	19	12	40	13	9
Enacted tax rate changes	(74)	—	(71)	2	1
Expense/income items with no tax effect — net	(10)	—	(19)	(11)	(9)
Tax rate differences on foreign earnings	(2)	(11)	—	2	(40)
Other — net	6	—	8	3	—
Provision (benefit) for taxes on loss	$ (36)	$ (52)	$ —	$ 4	$ (72)
Effective tax rate	189%	32%	—%	(4)%	41%

Our effective tax rate differs from the Canadian statutory rate primarily due to the following factors: (1) pre-tax foreign currency gains or losses with no tax effect and the tax effect of U.S. dollar denominated currency gains or losses with no pre-tax effect, which is shown above as exchange translation items; (2) changes in valuation allowances primarily related to tax losses in certain jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses; (3) differences between the Canadian statutory and foreign effective tax rates resulting from the application of an annual effective tax rate to profit and loss entities in different jurisdictions shown above as tax rate differences on foreign earnings and (4) the effects of enacted tax rate changes on cumulative taxable temporary differences.

Cash taxes paid are shown in the table below (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Cash taxes paid	$ 19	$ 5	$ 31	$ 9	$ 12

Adoption of FASB Interpretation No. 48

In June 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes.* FASB Interpretation No. 48 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FASB Interpretation No. 48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. Upon adoption as of January 1, 2007, we increased our reserves for uncertain tax positions by $1 million. We recognized the increase as a cumulative effect adjustment to Shareholder's equity, as an increase to our *Accumulated deficit*. Including this adjustment, reserves for uncertain tax positions totaled $45 million as of January 1, 2007. Of this total, $43 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in any future periods.

Tax authorities are currently examining certain of our prior years' tax returns for 1999-2006. We are evaluating potential adjustments related to certain items and we anticipate that it is reasonably possible that settlement of the examination will result in a payment in the range of up to $5 million and a corresponding decrease in unrecognized tax benefits by September 30, 2008.

Separately, we are awaiting a court ruling regarding the utilization of certain operating losses. We anticipate that it is reasonably possible that this ruling will result in a $12 million decrease in unrecognized tax benefits by September 30, 2008 related to this matter. We have fully funded this contingent liability through a judicial deposit, which is included in *Other long-term assets — third parties* as of January 1, 2007.

With the exception of the ongoing tax examinations described above, we are no longer subject to any income tax examinations by any tax authorities for years before 2001. With few exceptions, tax returns for all jurisdictions for all tax years after 2000 are subject to examination by taxing authorities.

Our continuing practice and policy is to record potential interest and penalties related to unrecognized tax benefits in our *Provision (benefit) for taxes on income (loss)*. As of March 31, 2007, we had $8 million accrued for potential interest on income taxes and no amounts accrued for potential penalties. For the three months ended September 30, 2007 and the periods from May 16, 2007 through September 30, 2007 and from April 1, 2007 through May 15, 2007, our *Provision (benefit) for taxes on loss* included charges for an additional $1 million, $3 million and less than $1 million of potential interest, respectively. As of September 30, 2007, we had $11 million accrued for potential interest on income taxes and no amounts accrued for potential penalties.

17. Commitments and Contingencies

Primary Supplier

Alcan is our primary supplier of prime and sheet ingot. The table below shows our purchases from Alcan as a percentage of our total combined prime and sheet ingot purchases.

	Three Months Ended September 30,		May 16, 2007 Through September 30,	April 1, 2007 Through May 15,	Six Months Ended September 30,
	2007	2006	2007	2007	2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Purchases from Alcan as a percentage of total combined prime and sheet ingot purchases	43%	36%	40%	35%	40%

Legal Proceedings

Reynolds Boat Case. As previously disclosed, we and Alcan were defendants in a case in the United States District Court for the Western District of Washington, in Tacoma, Washington, case number C04-0175RJB. Plaintiffs were Reynolds Metals Company, Alcoa, Inc. and National Union Fire Insurance Company of Pittsburgh PA. The case was tried before a jury beginning on May 1, 2006 under implied warranty theories, based on allegations that from 1998 to 2001 we and Alcan sold certain aluminum products that were ultimately used for marine applications and were unsuitable for such applications. The jury reached a verdict on May 22, 2006 against us and Alcan for approximately $60 million, and the court later awarded Reynolds and Alcoa approximately $16 million in prejudgment interest and court costs.

The case was settled during July 2006 as among us, Alcan, Reynolds, Alcoa and their insurers for $71 million. We contributed approximately $1 million toward the settlement, and the remaining $70 million was funded by our insurers. Although the settlement was substantially funded by our insurance carriers, certain of them have reserved the right to request a refund from us, after reviewing details of the plaintiffs' damages to determine if they include costs of a nature not covered under the insurance contracts. Of the $70 million funded, $39 million is in dispute with and under further review by certain of our insurance carriers. In the quarter ended September 30, 2006, we posted a letter of credit in the amount of approximately $10 million in favor of one of those insurance carriers, while we resolve the extent of coverage of the costs included in the settlement. On October 8, 2007, we received a letter from these insurers stating that they have completed their review and they are requesting a refund of the $39 million plus interest. We are reviewing the insurers' position and expect to respond to their letter within 45 days.

Since our fiscal 2005 Annual Report on Form 10-K was not filed until August 25, 2006, we recognized a liability for the full settlement amount of $71 million on December 31, 2005, included in *Accrued expenses and other current liabilities* on our consolidated balance sheet, with a corresponding charge against earnings. We also recognized an insurance receivable included in *Prepaid expenses and other current assets* on our consolidated balance sheet of $31 million, with a corresponding increase to earnings. Although $70 million of the settlement was funded by our insurers, we only recognized an insurance receivable to the extent that coverage was not in dispute. This resulted in a net charge of $40 million during the quarter ended December 31, 2005.

In July 2006, we contributed and paid $1 million to our insurers who subsequently paid the entire settlement amount of $71 million to the plaintiffs. Accordingly, during the quarter ended September 30, 2006 we reversed the previously recorded insurance receivable of $31 million and reduced our recorded liability by the same amount plus the $1 million contributed by us. The remaining liability of $39 million represents the amount of the settlement claim that was funded by our insurers but is still in dispute with and under further review by the parties as described above. The $39 million liability is included in *Accrued expenses and other current liabilities* in our condensed consolidated balance sheets as of September 30, 2007 and March 31, 2007.

While the ultimate resolution of the nature and extent of any costs not covered under our insurance contracts cannot be determined with certainty or reasonably estimated at this time, if there is an adverse outcome with respect to insurance coverage, and we are required to reimburse our insurers, it could have a material impact on our cash flows in the period of resolution. Alternatively, the ultimate resolution could be favorable, such that insurance coverage is in excess of the net expense that we have recognized to date. This would result in our recording a non-cash gain in the period of resolution, and this non-cash gain could have a material impact on our results of operations during the period in which such a determination is made.

Coca-Cola Lawsuits. A lawsuit was commenced against Novelis Corporation on February 15, 2007 by Coca-Cola Bottler's Sales and Services Company LLC (CCBSS) in state court in Georgia. In addition, a lawsuit was commenced against Novelis Corporation and Alcan Corporation on April 3, 2007 by Coca-Cola Enterprises

Inc., Enterprises Acquisition Company, Inc., The Coca-Cola Company and The Coca-Cola Trading Company, Inc. (collectively CCE) in federal court in Georgia. Novelis intends to defend these claims vigorously.

CCBSS is a consortium of Coca-Cola bottlers across the United States, including Coca-Cola Enterprises Inc. CCBSS alleges that Novelis Corporation breached an aluminum can stock supply agreement between the parties, and seeks monetary damages in an amount to be determined at trial and a declaration of its rights under the agreement. The agreement includes a "most favored nations" provision regarding certain pricing matters. CCBSS alleges that Novelis Corporation breached the terms of the most favored nations provision. The dispute will likely turn on the facts that are presented to the court by the parties and the court's finding as to how certain provisions of the agreement ought to be interpreted. If CCBSS were to prevail in this litigation, the amount of damages would likely be material. Novelis Corporation has filed its answer and the parties are proceeding with discovery.

The claim by CCE seeks monetary damages in an amount to be determined at trial for breach of a prior aluminum can stock supply agreement between CCE and Novelis Corporation, successor to the rights and obligations of Alcan Aluminum Corporation under the agreement. According to its terms, that agreement with CCE terminated in 2006. The CCE supply agreement included a "most favored nations" provision regarding certain pricing matters. CCE alleges that Novelis Corporation's entry into a supply agreement with Anheuser-Busch, Inc. breached the "most favored nation" provision of the CCE supply agreement. If CCE were to prevail in this litigation, the amount of damages would likely be material. The dispute will likely turn on the facts that are presented to the court by the parties and the court's finding as to how certain provisions of the supply agreement ought to be interpreted. Novelis Corporation has moved to dismiss the complaint and has not yet filed its answer. We have not recorded any reserves for these matters.

Anheuser-Busch Litigation. On September 19, 2006, Novelis Corporation filed a lawsuit against Anheuser-Busch, Inc. in federal court in Ohio. Anheuser-Busch, Inc. subsequently filed suit against Novelis Corporation and the Company in federal court in Missouri. On January 3, 2007, Anheuser-Busch, Inc.'s suit was transferred to the Ohio federal court.

Novelis Corporation alleges that Anheuser-Busch, Inc. breached the existing multi-year aluminum can stock supply agreement between the parties, and we seek monetary damages and declaratory relief. Among other claims, we assert that since entering into the supply agreement, Anheuser-Busch, Inc. has breached its confidentiality obligations and there has been a structural change in market conditions that requires a change to the pricing provisions under the agreement.

In its complaint, Anheuser-Busch, Inc. has asked for a declaratory judgment that Anheuser-Busch, Inc. is not obligated to modify the supply agreement as requested by Novelis Corporation, and that Novelis Corporation must continue to perform under the existing supply agreement.

The Anheuser-Busch, Inc. litigation is currently at the discovery stage. Novelis Corporation has continued to perform under the supply agreement during the litigation.

ARCO Aluminum Complaint. On May 24, 2007, Arco Aluminum Inc. (ARCO) filed a complaint against Novelis Corporation and Novelis Inc. in the United States District Court for the Western District of Kentucky. ARCO and Novelis are partners in a joint venture rolling mill located in Logan, Kentucky. In the complaint, ARCO seeks to resolve a perceived dispute over management and control of the joint venture following Hindalco's acquisition of Novelis.

ARCO alleges that its consent was required in connection with Hindalco's acquisition of Novelis. Failure to obtain consent, ARCO alleges, has put us in default of the joint venture agreements, thereby triggering certain provisions in those agreements. The provisions include a reversion of the production management at the joint venture to Logan Aluminum from Novelis, and a reduction of the board of directors of the entity that

manages the joint venture from seven members (four appointed by Novelis and three appointed by ARCO) to six members (three appointed by each of Novelis and ARCO).

ARCO is seeking a court declaration that (1) Novelis and its affiliates are prohibited from exercising any managerial authority or control over the joint venture, (2) Novelis' interest in the joint venture is limited to an economic interest only and (3) ARCO has authority to act on behalf of the joint venture. Or, alternatively, ARCO is seeking a reversion of the production management function to Logan Aluminum, and a change in the composition of the board of directors of the entity that manages the joint venture. Novelis filed its answer to the complaint on July 16, 2007.

On July 3, 2007, ARCO filed a motion for partial summary judgment with respect to one of the counts of its complaint relating to the claim that Novelis breached the joint venture agreement by not seeking ARCO's consent. On July 30, 2007, Novelis filed a motion to hold ARCO's motion for summary judgment in abeyance (pending further discovery), along with a demand for a jury. Those motions are pending. We intend to defend these proceedings vigorously.

Environmental Matters

Oswego North Ponds. As previously disclosed, Oswego North Ponds is currently our largest known single environmental loss contingency. In the late 1960s and early 1970s, Novelis Corporation, (formerly known as Alcan Aluminum Corporation, or Alcancorp) used an oil containing polychlorinated biphenyls (PCBs) in its re-melt operations in Oswego, New York. At the time, Novelis Corporation utilized a once-through cooling water system that discharged through a series of constructed ponds and wetlands, collectively referred to as the North Ponds. In the early 1980s, low levels of PCBs were detected in the cooling water system discharge and Novelis Corporation performed several subsequent investigations. The PCB-containing hydraulic oil, Pydraul, which was eliminated from use by Novelis Corporation in the early 1970s, was identified as the source of contamination. In the mid-1980s, the Oswego North Ponds site was classified as an "inactive hazardous waste disposal site" and added to the New York State Registry. Novelis Corporation ceased discharge through the North Ponds in mid-2002.

In cooperation with the New York State Department of Environmental Conservation (NYSDEC) and the New York State Department of Health, Novelis Corporation entered into a consent decree in August 2000 to develop and implement a remedial program to address the PCB contamination at the Oswego North Ponds site. A remedial investigation report was submitted in January 2004. The current estimated cost associated with this remediation is in the range of $12 million to $26 million. Based upon the report and other factors, we accrued $19 million as our estimated cost. In addition, NYSDEC held a public hearing on the remediation plan on March 13, 2006 and a Consent Order for the implementation of the remediation plan was executed by NYSDEC and Novelis Corporation, effective January 1, 2007. We believe that our estimate of $19 million is reasonable, and that the remediation plan will be designed and implemented in fiscal 2008.

Brazil Tax Matters

Primarily as a result of legal proceedings with Brazil's Ministry of Treasury regarding certain taxes in South America, as of September 30, 2007 and March 31, 2007, we had cash deposits aggregating approximately $30 million and $25 million, respectively, in judicial depository accounts pending finalization of the related cases. The depository accounts are in the name of the Brazilian government and will be expended towards these legal proceedings or released to us, depending on the outcome of the legal cases. These deposits are included in *Other long-term assets — third parties* in our accompanying condensed consolidated balance sheets. In addition, we are involved in several disputes with Brazil's Ministry of Treasury about various forms of manufacturing taxes and social security contributions, for which we have made no judicial deposits but for which we have established reserves ranging from $12 million to $74 million as of

September 30, 2007. In total, these reserves approximate $93 million as of September 30, 2007 and are included in *Other long-term liabilities* in our accompanying condensed consolidated balance sheets.

On August 15, 2007, there was a Superior Court of Justice ruling in Brazil reducing the statute of limitations from ten years to five years for claims relating to the application of Brazilian tax credits resulting from previous payments made under a social contribution tax. Accordingly, in the three months ended September 30, 2007, we reversed $21 million of reserves ($15 million net of tax) relating to the disputed application of such credits in 1999 and 2000, as these tax credits may no longer be challenged by the government.

Guarantees of Indebtedness

We have issued guarantees on behalf of certain of our subsidiaries and non-consolidated affiliates, including:

- certain of our wholly-owned and majority-owned subsidiaries; and
- Aluminium Norf GmbH, which is a fifty percent (50%) owned joint venture that does not meet the requirements for consolidation under FASB Interpretation No. 46 (Revised), *Consolidation of Variable Interest Entities.*

In the case of our wholly-owned subsidiaries, the indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. For our majority-owned subsidiaries, the indebtedness guaranteed is for short-term loan, overdraft and other debt facilities with financial institutions, some of which have various expiration dates through September 30, 2008. Other of the guarantees have indefinite terms and expire upon written notice among the parties. Neither we nor any of our subsidiaries or non-consolidated affiliates holds any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Since we consolidate wholly-owned and majority-owned subsidiaries in our financial statements, all outstanding liabilities associated with trade accounts payable and short-term debt facilities for these entities are already included in our condensed consolidated balance sheets.

The following table discloses information about our obligations under guarantees of indebtedness as of September 30, 2007 (in millions).

Type of Entity	Maximum Potential Future Payment	Liability Carrying Value
Wholly-owned subsidiaries	$ 64	$ 55
Majority-owned subsidiaries	3	—
Aluminium Norf GmbH	14	—

18. Segment and Major Customer Information

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

As a result of the acquisition by Hindalco, and based on the way our President and Chief Operating Officer (our chief operating decision-maker) reviews the results of segment operations, during the quarter ended June 30, 2007 we changed our segment performance measure to Segment Income, as defined below. As a result, certain prior period amounts have been reclassified to conform to the new segment performance measure.

We measure the profitability and financial performance of our operating segments, based on Segment Income, in accordance with FASB Statement No. 131, *Disclosure About the Segments of an Enterprise and Related Information.* Segment Income provides a measure of our underlying segment results that is in line

with our portfolio approach to risk management. We define Segment Income as earnings before (a) interest expense and amortization of debt issuance costs — net; (b) unrealized gains (losses) on change in fair value of derivative instruments — net; (c) realized gains (losses) on corporate derivative instruments — net; (d) depreciation and amortization; (e) impairment charges on long-lived assets; (f) minority interests' share; (g) adjustments to reconcile our proportional share of Segment Income from non-consolidated affiliates to income as determined on the equity method of accounting; (h) restructuring charges — net; (i) gains or losses on disposals of property, plant and equipment and businesses — net; (j) corporate selling, general and administrative expenses; (k) other costs — net; (l) litigation settlement — net of insurance recoveries; (m) sale transaction fees; (n) provision or benefit for taxes on income (loss) and (o) cumulative effect of accounting change.

Net sales and expenses are measured in accordance with the policies and procedures described in Note 1 — Business and Summary of Significant Accounting Policies to our consolidated and combined financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006.

We do not treat all derivative instruments as hedges under FASB Statement No. 133. Accordingly, changes in fair value are recognized immediately in earnings, which results in the recognition of fair value as a gain or loss in advance of the contract settlement. In the accompanying condensed consolidated statements of operations, changes in fair value of derivative instruments not accounted for as hedges under FASB Statement No. 133 are recognized in *(Gain) loss on change in fair value of derivative instruments — net.* These gains or losses may or may not result from cash settlement. For Segment Income purposes we only include the impact of the derivative gains or losses to the extent they are settled in cash (i.e., realized) during that period.

The tables below show selected segment financial information (in millions). The Corporate and Other column in the tables below includes functions that are managed directly from our corporate office, which focuses on strategy development and oversees governance, policy, legal compliance, human resources and finance matters. It also includes consolidating and other elimination accounts.

Selected Segment Financial Information

Total Assets	North America	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
September 30, 2007 (*Successor)*	$ 4,468	$ 3,388	$ 1,363	$ 1,353	$ (34)	$ 135	$ 10,673
March 31, 2007 (*Predecessor)*	$ 1,566	$ 2,543	$ 1,110	$ 821	$ (114)	$ 44	$ 5,970

Comparison of Three Month Data:

Selected Operating Results Three Months Ended September 30, 2007 *(Successor)*	North America	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
Net sales (to third parties)	$ 1,050	$ 1,092	$ 438	$ 241	$ —	$ —	$ 2,821
Intersegment sales	2	1	4	11	—	(18)	—
Segment Income	89	67	18	46	—	—	220
Depreciation and amortization	39	39	16	14	(7)	1	102
Capital expenditures	8	16	6	7	(3)	1	35

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Selected Operating Results Three Months Ended September 30, 2006 (Predecessor)	North America	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
Net sales (to third parties)	$ 954	$ 940	$ 388	$ 216	$ (4)	$ —	$ 2,494
Intersegment sales	—	2	4	21	—	(27)	—
Segment Income (Loss)	(18)	68	16	37	—	—	103
Depreciation and amortization	17	21	14	11	(7)	1	57
Capital expenditures	6	8	6	5	(3)	—	22

Comparison of Six Month Data:

Selected Operating Results May 16, 2007 Through September 30, 2007 (Successor)	America North	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
Net sales (to third parties)	$ 1,624	$ 1,686	$ 683	$ 375	$ —	$ —	$ 4,368
Intersegment sales	3	1	6	27	—	(37)	—
Segment Income	112	110	17	68	—	—	307
Depreciation and amortization	60	61	24	22	(13)	1	155
Capital expenditures	14	25	11	8	(3)	2	57

Selected Operating Results April 1, 2007 Through May 15, 2007 (Predecessor)	America North	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
Net sales (to third parties)	$ 446	$ 510	$ 216	$ 109	$ —	$ —	$ 1,281
Intersegment sales	—	—	1	7	—	(8)	—
Segment Income (Loss)	(24)	32	6	18	—	—	32
Depreciation and amortization	7	11	7	5	(3)	1	28
Capital expenditures	4	8	4	3	(3)	1	17

Selected Operating Results Six Months Ended September 30, 2006 (Predecessor)	North America	Europe	Asia	South America	Adjustment to Eliminate Proportional Consolidation	Corporate and Other	Total
Net sales (to third parties)	$ 1,946	$ 1,862	$ 841	$ 417	$ (8)	$ —	$ 5,058
Intersegment sales	1	2	9	32	—	(44)	—
Segment Income	7	146	40	80	—	—	273
Depreciation and amortization	35	45	27	22	(15)	2	116
Capital expenditures	16	17	14	13	(5)	1	56

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (unaudited) — (Continued)

The following table shows the reconciliation from Total Segment Income to Net income (loss) (in millions).

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	Predecessor	Successor	Predecessor	Predecessor
Total Segment Income	$ 220	$ 103	$ 307	$ 32	$ 273
Interest expense and amortization of debt issuance costs — net	(56)	(52)	(81)	(26)	(101)
Unrealized gains (losses) on change in fair value of derivative instruments — net(A)	(87)	(98)	(102)	5	(133)
Realized gains (losses) on corporate derivative instruments — net	29	—	37	(3)	—
Depreciation and amortization	(102)	(57)	(155)	(28)	(116)
Minority interests' share	—	2	2	1	(2)
Adjustment to eliminate proportional consolidation(B)	(17)	(9)	(26)	(7)	(16)
Restructuring charges — net	—	(10)	(1)	(1)	(12)
Gains or (losses) on disposal of property, plant, and equipment — net	—	(2)	—	—	(2)
Corporate selling, general and administrative expenses	(16)	(33)	(26)	(35)	(63)
Other costs — net	6	2	4	1	4
Sale transaction fees	—	—	—	(32)	—
Benefit (provision) for taxes on loss	36	52	—	(4)	72
Net income (loss)	$ 13	$ (102)	$ (41)	$ (97)	$ (96)

(A) Unrealized gains (losses) on change in fair value of derivative instruments — net represents the portion of gains (losses) that were not settled in cash during the period. Total realized and unrealized gains (losses) are shown in the table below and are included in the aggregate each period in *(Gain) loss on change in fair value of derivative instruments — net* on our condensed consolidated statements of operations.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
(Gain) loss on change in fair value of derivative instruments — net:					
Realized and included in Segment Income	$ (22)	$ (61)	$ (43)	$ (18)	$ (137)
Realized on corporate derivative instruments	(29)	—	(37)	3	—
Unrealized	87	98	102	(5)	133
(Gain) loss on change in fair value of derivative instruments — net	$ 36	$ 37	$ 22	$ (20)	$ (4)

(B) Our financial information for our segments (including Segment Income) includes the results of our non-consolidated affiliates on a proportionately consolidated basis, which is consistent with the way we manage our business segments. However, under GAAP, these non-consolidated affiliates are accounted for using the equity method of accounting. Therefore, in order to reconcile Total Segment Income to Net income (loss), the proportional Segment Income of these non-consolidated affiliates is removed from Total Segment Income, net of our share of their net after-tax results, which is reported as *Equity in net (income) loss of non-consolidated affiliates* on our condensed consolidated statements of operations. See Note 7 — Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions for further information about these non-consolidated affiliates.

Major Customer Information

All of our operating segments had net sales to Rexam Plc (Rexam), our largest customer. The table below shows our net sales to Rexam as a percentage of total net sales.

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	May 16, 2007 Through September 30, 2007	April 1, 2007 Through May 15, 2007	Six Months Ended September 30, 2006
	Successor	*Predecessor*	*Successor*	*Predecessor*	*Predecessor*
Net sales to Rexam as a percentage of total net sales	15.6%	14.3%	14.7%	13.5%	13.8%

19. Supplemental Guarantor Information

In connection with the issuance of our Senior Notes, certain of our wholly-owned subsidiaries provided guarantees of the Senior Notes. These guarantees are full and unconditional as well as joint and several. The guarantor subsidiaries (the Guarantors) are comprised of the majority of our businesses in Canada, the U.S, the U.K, Brazil and Switzerland, as well as certain businesses in Germany. Certain Guarantors may be subject to restrictions on their ability to distribute earnings to Novelis Inc. (the Parent). The remaining subsidiaries (the Non-Guarantors) of the Parent are not guarantors of the Senior Notes.

The following information presents consolidating statements of operations, consolidating balance sheets and consolidating statements of cash flows of the Parent, the Guarantors and the Non-Guarantors. Investments include investment in and advances to non-consolidated affiliates as well as investments in net assets of divisions included in the Parent, and have been presented using the equity method of accounting.

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Operations
(In millions)

	Three Months Ended September 30, 2007 *(Successor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 369	$ 2,400	$ 736	$ (684)	$ 2,821
Cost of goods sold (exclusive of depreciation and amortization shown below)	366	2,183	697	(691)	2,555
Selling, general and administrative expenses	8	62	18	—	88
Depreciation and amortization	5	74	23	—	102
Research and development expenses	7	2	1	—	10
Interest expense and amortization of debt issuance costs — net	15	35	6	—	56
Loss on change in fair value of derivative instruments — net	1	27	8	—	36
Equity in net income (loss) of affiliates	(40)	4	—	40	4
Other (income) expenses — net	(10)	4	(2)	1	(7)
	352	2,391	751	(650)	2,844
Income (loss) before provision for taxes on income (loss) and minority interests' share	17	9	(15)	(34)	(23)
Provision (benefit) for taxes on income (loss)	4	(40)	—	—	(36)
Income (loss) before minority interests' share	13	49	(15)	(34)	13
Minority interests' share	—	—	—	—	—
Net income (loss)	$ 13	$ 49	$ (15)	$ (34)	$ 13

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Operations (In millions)

	Three Months Ended September 30, 2006 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 415	$ 2,176	$ 657	$ (754)	$ 2,494
Cost of goods sold (exclusive of depreciation and amortization shown below)	404	2,121	625	(761)	2,389
Selling, general and administrative expenses	13	70	20	—	103
Depreciation and amortization	4	37	16	—	57
Research and development expenses	7	2	1	—	10
Interest expense and amortization of debt issuance costs — net	12	35	5	—	52
Loss on change in fair value of derivative instruments — net	9	23	5	—	37
Equity in net (income) loss of affiliates	70	(5)	—	(70)	(5)
Other (income) expenses — net	(5)	14	(2)	—	7
	514	2,297	670	(831)	2,650
Loss before provision (benefit) for taxes on loss and minority interests' share	(99)	(121)	(13)	77	(156)
Provision (benefit) for taxes on loss	3	(55)	—	—	(52)
Loss before minority interests' share	(102)	(66)	(13)	77	(104)
Minority interests' share	—	—	2	—	2
Net loss	$ (102)	$ (66)	$ (11)	$ 77	$ (102)

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Operations
(In millions)

	May 16, 2007 Through September 30, 2007 *(Successor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 614	$ 3,747	$ 1,155	$ (1,148)	$ 4,368
Cost of goods sold (exclusive of depreciation and amortization shown below)	612	3,434	1,099	(1,154)	3,991
Selling, general and administrative expenses	13	87	30	—	130
Depreciation and amortization	8	112	35	—	155
Research and development expenses	9	9	5	—	23
Interest expense and amortization of debt issuance costs — net	18	55	8	—	81
(Gain) loss on change in fair value of derivative instruments — net	(12)	23	11	—	22
Equity in net income (loss) of affiliates	(5)	5	—	5	5
Other (income) expenses — net	(14)	18	(1)	1	4
	629	3,743	1,187	(1,148)	4,411
Income (loss) before provision for taxes on income (loss) and minority interests' share	(15)	4	(32)	—	(43)
Provision (benefit) for taxes on income (loss)	26	(26)	—	—	—
Income (loss) before minority interests' share	(41)	30	(32)	—	(43)
Minority interests' share	—	—	2	—	2
Net income (loss)	$ (41)	$ 30	$ (30)	$ —	$ (41)

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Operations (In millions)

	April 1, 2007 Through May 15, 2007 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 129	$ 1,020	$ 359	$ (227)	$ 1,281
Cost of goods sold (exclusive of depreciation and amortization shown below)	131	961	340	(227)	1,205
Selling, general and administrative expenses	29	51	15	—	95
Depreciation and amortization	2	18	8	—	28
Research and development expenses	5	1	—	—	6
Interest expense and amortization of debt issuance costs — net	3	20	3	—	26
(Gain) loss on change in fair value of derivative instruments — net	(2)	(19)	1	—	(20)
Equity in net (income) loss of affiliates	29	(1)	—	(29)	(1)
Sale transaction fees	32	—	—	—	32
Other (income) expenses — net	(3)	9	(2)	—	4
	226	1,040	365	(256)	1,375
Loss before provision for taxes on loss and minority interests' share	(97)	(20)	(6)	29	(94)
Provision for taxes on loss	—	3	1	—	4
Loss before minority interests' share	(97)	(23)	(7)	29	(98)
Minority interests' share	—	—	1	—	1
Net loss	$ (97)	$ (23)	$ (6)	$ 29	$ (97)

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Operations (In millions)

	Six Months Ended September 30, 2006 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 834	$ 4,349	$ 1,413	$ (1,538)	$ 5,058
Cost of goods sold (exclusive of depreciation and amortization shown below)	809	4,195	1,334	(1,542)	4,796
Selling, general and administrative expenses	34	130	37	—	201
Depreciation and amortization	7	76	33	—	116
Research and development expenses	14	5	1	—	20
Interest expense and amortization of debt issuance costs — net	22	70	9	—	101
(Gain) loss on change in fair value of derivative instruments — net	9	(19)	6	—	(4)
Equity in net (income) loss of affiliates	44	(9)	—	(44)	(9)
Other (income) expenses — net	(13)	21	(5)	—	3
	926	4,469	1,415	(1,586)	5,224
Loss before provision for taxes on income (loss) and minority interests' share	(92)	(120)	(2)	48	(166)
Provision (benefit) for taxes on income (loss)	4	(62)	(14)	—	(72)
Income (loss) before minority interests' share	(96)	(58)	12	48	(94)
Minority interests' share	—	—	(2)	—	(2)
Net income (loss)	$ (96)	$ (58)	$ 10	$ 48	$ (96)

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Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Balance Sheet (In millions)

	As of September 30, 2007 *(Successor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 9	$ 128	$ 44	$ —	$ 181
Accounts receivable — net of allowances					
— third parties	33	893	429	—	1,355
— related parties	504	280	24	(781)	27
Inventories	70	1,010	407	7	1,494
Prepaid expenses and other current assets	7	29	13	—	49
Current portion of fair value of derivative instruments	3	44	4	—	51
Deferred income tax assets	—	58	4	—	62
Total current assets	626	2,442	925	(774)	3,219
Property, plant and equipment — net	110	2,404	784	—	3,298
Goodwill	—	1,975	369	—	2,344
Intangible assets — net	—	774	80	—	854
Investments	3,723	1,611	(1)	(4,576)	757
Fair value of derivative instruments — net of current portion	—	7	—	—	7
Deferred income tax assets	—	25	37	—	62
Other long-term assets	1,226	193	132	(1,419)	132
Total assets	$ 5,685	$ 9,431	$ 2,326	$ (6,769)	$ 10,673
LIABILITIES AND SHAREHOLDER'S EQUITY					
Current liabilities					
Current portion of long-term debt	$ 3	$ 10	$ 1	$ —	$ 14
Short-term borrowings					
— third parties	—	185	58	—	243
— related parties	42	403	51	(496)	—
Accounts payable					
— third parties	86	817	551	—	1,454
— related parties	65	215	58	(285)	53
Accrued expenses and other current liabilities	49	661	97	—	807
Deferred income tax liabilities	—	84	1	—	85
Total current liabilities	245	2,375	817	(781)	2,656
Long-term debt — net of current portion					
— third parties	1,766	695	98	—	2,559
— related parties	—	1,159	260	(1,419)	—
Deferred income tax liabilities	1	635	54	—	690
Accrued postretirement benefits	22	307	114	—	443
Other long-term liabilities	165	505	20	(2)	688
	2,199	5,676	1,363	(2,202)	7,036
Commitments and contingencies					
Minority interests in equity of consolidated affiliates	—	—	151	—	151
Shareholder's equity					
Common stock	—	—	—	—	—
Additional paid-in capital	3,497	—	—	—	3,497
(Accumulated deficit)/retained earnings/owner's net investment	(41)	2,751	519	(3,270)	(41)
Accumulated other comprehensive income	30	1,004	293	(1,297)	30
Total shareholder's equity	3,486	3,755	812	(4,567)	3,486
Total liabilities and shareholder's equity	$ 5,685	$ 9,431	$ 2,326	$ (6,769)	$ 10,673

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Balance Sheet (In millions)

	As of March 31, 2007 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 6	$ 71	$ 51	$ —	$ 128
Accounts receivable — net of allowances					
— third parties	36	903	411	—	1,350
— related parties	416	500	58	(949)	25
Inventories	65	1,004	417	(3)	1,483
Prepaid expenses and other current assets	3	26	10	—	39
Current portion of fair value of derivative instruments	—	88	4	—	92
Deferred income tax assets	3	12	4	—	19
Total current assets	529	2,604	955	(952)	3,136
Property, plant and equipment — net	112	1,229	765	—	2,106
Goodwill	—	29	210	—	239
Intangible assets — net	—	18	2	—	20
Investments	362	153	—	(362)	153
Fair value of derivative instruments — net of current portion	—	55	—	—	55
Deferred income tax assets	1	66	35	—	102
Other long-term assets	1,231	160	132	(1,364)	159
Total assets	$ 2,235	$ 4,314	$ 2,099	$ (2,678)	$ 5,970
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Current portion of long-term debt	$ —	$ 3	$ 140	$ —	$ 143
Short-term borrowings					
— third parties	—	241	4	—	245
— related parties	15	529	61	(605)	—
Accounts payable					
— third parties	116	938	560	—	1,614
— related parties	69	240	84	(344)	49
Accrued expenses and other current liabilities	63	317	100	—	480
Deferred income tax liabilities	—	73	—	—	73
Total current liabilities	263	2,341	949	(949)	2,604
Long-term debt — net of current portion					
— third parties	1,659	496	2	—	2,157
— related parties	—	1,116	248	(1,364)	—
Deferred income tax liabilities	—	89	14	—	103
Accrued postretirement benefits	19	293	115	—	427
Other long-term liabilities	119	214	19	—	352
	2,060	4,549	1,347	(2,313)	5,643
Commitments and contingencies					
Minority interests in equity of consolidated affiliates	—	—	152	—	152
Shareholders' equity					
Common stock	—	—	—	—	—
Additional paid-in capital	428	—	—	—	428
(Accumulated deficit)/retained earnings/owner's net investment	(263)	(458)	575	(117)	(263)
Accumulated other comprehensive income	10	223	25	(248)	10
Total shareholders' equity	175	(235)	600	(365)	175
Total liabilities and shareholders' equity	$ 2,235	$ 4,314	$ 2,099	$ (2,678)	$ 5,970

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Cash Flows (In millions)

	May 16, 2007 Through September 30, 2007 *(Successor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
OPERATING ACTIVITIES					
Net cash provided by (used in) operating activities	$ 125	$ (123)	$ 7	$ —	$ 9
INVESTING ACTIVITIES					
Capital expenditures	(5)	(47)	(5)	—	(57)
Proceeds from sales of assets	—	—	1	—	1
Changes to investment in and advances to non-consolidated affiliates	(40)	3	—	40	3
Proceeds from loans receivable — net					
— related parties	—	10	—	—	10
Net proceeds from settlement of derivative instruments	26	42	(2)	—	66
Net cash provided by (used in) investing activities	(19)	8	(6)	40	23
FINANCING ACTIVITIES					
Proceeds from issuance of common stock	92	40	—	(40)	92
Proceeds from issuance of debt	300	660	—	—	960
Principal repayments	(260)	(603)	(42)	—	(905)
Short-term borrowings — net					
— third parties	(45)	(67)	47	—	(65)
— related parties	(157)	139	18	—	—
Dividends					
— minority interests	—	—	(1)	—	(1)
Debt issuance costs	(35)	—	—	—	(35)
Net cash provided by (used in) financing activities	(105)	169	22	(40)	46
Net increase in cash and cash equivalents	1	54	23	—	78
Effect of exchange rate changes on cash balances held in foreign currencies	—	—	1	—	1
Cash and cash equivalents — beginning of period	8	74	20	—	102
Cash and cash equivalents — end of period	$ 9	$ 128	$ 44	$ —	$ 181

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Cash Flows (In millions)

	April 1, 2007 Through May 15, 2007 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
OPERATING ACTIVITIES					
Net cash used in operating activities	$ (21)	$ (181)	$ (28)	$ —	$ (230)
INVESTING ACTIVITIES					
Capital expenditures	(1)	(10)	(6)	—	(17)
Changes to investment in and advances to non-consolidated affiliates	—	1	—	—	1
Net proceeds from settlement of derivative instruments	(5)	23	—	—	18
Net cash provided by (used in) investing activities	(6)	14	(6)	—	2
FINANCING ACTIVITIES					
Proceeds from issuance of debt	—	150	—	—	150
Principal repayments	—	(1)	—	—	(1)
Short-term borrowings — net					
— third parties	45	9	6	—	60
— related parties	(15)	11	4	—	—
Dividends					
— minority interests	—	—	(7)	—	(7)
Debt issuance costs	(2)	—	—	—	(2)
Proceeds from the exercise of stock options	1	—	—	—	1
Net cash provided by financing activities	29	169	3	—	201
Net increase (decrease) in cash and cash equivalents	2	2	(31)	—	(27)
Effect of exchange rate changes on cash balances held in foreign currencies	—	1	—	—	1
Cash and cash equivalents — beginning of period	6	71	51		128
Cash and cash equivalents — end of period	$ 8	$ 74	$ 20	$ —	$ 102

Novelis Inc.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) — (Continued)

Novelis Inc.

Consolidating Statement of Cash Flows (In millions)

	Six Months Ended September 30, 2006 *(Predecessor)*				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
OPERATING ACTIVITIES					
Net cash provided by (used in) operating activities	$ 138	$ (143)	$ (13)	$ (71)	$ (89)
INVESTING ACTIVITIES					
Capital expenditures	(2)	(36)	(18)	—	(56)
Cash advance received on pending transfer of rights	—	15	—	—	15
Proceeds from sales of assets	—	1	—	—	1
Changes to investment in and advances to non-consolidated affiliates	—	2	—	—	2
Proceeds from loans receivable — net — related parties	(7)	(36)	(1)	64	20
Net proceeds from settlement of derivative instruments	—	153	1	—	154
Net cash provided by (used in) investing activities	(9)	99	(18)	64	136
FINANCING ACTIVITIES					
Proceeds from issuance of debt					
— third parties	—	—	20	—	20
— related parties	—	199	—	(199)	—
Principal repayments					
— third parties	(53)	(92)	(40)	—	(185)
— related parties	(73)	(59)	(3)	135	—
Short-term borrowings — net					
— third parties	5	49	24	—	78
— related parties	(20)	9	11	—	—
Dividends					
— common shareholders	(7)	(70)	(1)	71	(7)
— minority interests	—	—	(1)	—	(1)
Debt issuance costs	(8)	—	—	—	(8)
Net cash provided by (used in) financing activities	(156)	36	10	7	(103)
Net decrease in cash and cash equivalents	(27)	(8)	(21)	—	(56)
Effect of exchange rate changes on cash balances held in foreign currencies	—	2	1	—	3
Cash and cash equivalents — beginning of period	29	55	40	—	124
Cash and cash equivalents — end of period	$ 2	$ 49	$ 20	$ —	$ 71

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

FORWARD LOOKING STATEMENTS

The following information should be read together with our unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this quarterly report for a more complete understanding of our financial condition and results of operations. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below, particularly in "SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA."

REFERENCES

References herein to "Novelis," the "Company," "we," "our," or "us" refer to Novelis Inc. and its subsidiaries as both Predecessor and Successor unless the context specifically indicates otherwise. References herein to "Hindalco" refer to Hindalco Industries Limited. References herein to "Alcan" refer to Alcan, Inc.

References to our Form 10-K made throughout this document refer to our Annual Report on Form 10-K for the year ended December 31, 2006, as amended, originally filed with the United States Securities and Exchange Commission (SEC) on March 1, 2007, as amended on April 30, 2007.

GENERAL

Novelis is the world's leading aluminum rolled products producer based on shipment volume. We produce aluminum sheet and light gauge products for the construction and industrial, beverage and food cans, foil products and transportation markets. As of September 30, 2007, we had operations on four continents: North America; South America; Asia and Europe, through 33 operating plants and three research facilities in 11 countries. In addition to aluminum rolled products plants, our South American businesses include bauxite mining, alumina refining, primary aluminum smelting and power generation facilities that are integrated with our rolling plants in Brazil. We are the only company of our size and scope focused solely on aluminum rolled products markets and capable of local supply of technologically sophisticated products in all of these geographic regions.

Acquisition of Novelis Common Stock

On May 15, 2007, the Company was acquired by Hindalco Industries, Limited (Hindalco) through its indirect wholly-owned subsidiary AV Metals Inc. (Acquisition Sub) pursuant to a plan of arrangement (Arrangement) entered into on February 10, 2007 and approved by the Ontario Superior Court of Justice on May 14, 2007. As a result of the Arrangement, Acquisition Sub acquired all of the Company's outstanding common shares at a price of $44.93 per share, and all outstanding stock options and other equity incentives were terminated in exchange for cash payments. The aggregate purchase price for the Company's common shares was $3.4 billion and immediately following the Arrangement, the common shares of the Company were transferred from Acquisition Sub to its wholly-owned subsidiary AV Aluminum Inc. (AV Aluminum). Hindalco also assumed $2.8 billion of Novelis' debt for a total transaction value of $6.2 billion.

On June 22, 2007, we issued 2,044,122 additional common shares to AV Aluminum for $44.93 per share resulting in an additional equity contribution of approximately $92 million. This contribution was equal in amount to certain payments made by Novelis related to change in control compensation to certain employees and directors, lender fees and other transaction costs incurred by the Company. As this transaction was approved by the Company and executed subsequent to the Arrangement, the $92 million cash payment is not included in the determination of total purchase price.

As discussed in Note 1 — Business and Summary of Significant Accounting Policies in the accompanying condensed and consolidated financial statements, the Arrangement was recorded in accordance with Staff Accounting Bulletin No. 103, Topic 5J, *Push Down Basis of Accounting Required in Certain Limited Circumstances* (SAB No. 103), which states that purchase transactions that result in an entity becoming substantially wholly-owned establish a new basis of accounting for the purchased assets and liabilities.

Accordingly, in the accompanying September 30, 2007 condensed consolidated balance sheet, the consideration and related costs paid by Hindalco in connection with the acquisition have been "pushed down" to us and have been allocated to the assets acquired and liabilities assumed in accordance with Financial Accounting Standards Board (FASB) Statement No. 141, *Business Combinations*. Due to the impact of push down accounting, the condensed consolidated financial statements and certain note presentations for the six months ended September 30, 2007 separate the Company's presentations into distinct periods to indicate the application of different bases of accounting between the periods presented: (1) the period up to, and including, the acquisition date (April 1, 2007 through May 15, 2007, labeled "Predecessor") and (2) the period after that date (May 16, 2007 through September 30, 2007, labeled "Successor"). The accompanying condensed consolidated financial statements and tables included in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) include a black line division when both Predecessor and Successor periods are presented, indicating that the Predecessor and Successor entities are not comparable.

CHANGE IN FISCAL YEAR END

On June 26, 2007, our board of directors approved the change of our fiscal year end to March 31 from December 31. This Quarterly Report on Form 10-Q for the period ended September 30, 2007 is our second quarter filing for our new fiscal year ending March 31, 2008, and references to this quarter will be to the second quarter of fiscal 2008. Comparisons will be made to the three months ended September 30, 2006, which will be referred to as the comparable prior year period, the quarter ended September 30, 2006 or the three months ended September 30, 2006.

NOTE REGARDING COMBINED RESULTS OF OPERATIONS AND SELECTED FINANCIAL AND OPERATING INFORMATION DUE TO THE ACQUISITION

As discussed above, the Arrangement created a new basis of accounting. Under generally accepted accounting principles in the United States of America (GAAP), the condensed consolidated financial statements for the six months ended September 30, 2007 are presented in two distinct periods, as Predecessor and Successor entities are not comparable in all material respects. However, in MD&A, in order to facilitate an understanding of our results of operations, segment information and liquidity and capital resources for the six months ended September 30, 2007 in comparison with the six months ended September 30, 2006, our Predecessor and Successor operating results, segment information and cash flows are presented on a combined basis. The combined operating results, segment information and cash flows are non-GAAP financial measures, do not include any proforma assumptions or adjustments and should not be used in isolation or substitution of the Predecessor and Successor operating results, segment information or cash flows.

Shown below are combining schedules of (1) shipments and (2) our results of operations for periods allocable to the Successor, Predecessor and the combined presentation for the six months ended September 30, 2007 that we use throughout MD&A.

	May 16, 2007 Through September 30, 2007 *Successor*	**April 1, 2007 Through May 15, 2007** *Predecessor*	**Six Months Ended September 30, 2007** *Combined*
Combined Shipments:			
Shipments (kt)(A):			
Rolled products(B)	1,156	348	1,504
Ingot products(C)	66	15	81
Total shipments	1,222	363	1,585

(A) One kilotonne (kt) is 1,000 metric tonnes. One metric tonne is equivalent to 2,204.6 pounds.

(B) Rolled products include tolling (the conversion of customer-owned metal).

(C) Ingot products include primary ingot in Brazil, foundry products in Korea and Europe, secondary ingot in Europe and other miscellaneous recyclable aluminum.

Combined Results of Operations ($ in millions)	May 16, 2007 Through September 30, 2007 *Successor*	April 1, 2007 Through May 15, 2007 *Predecessor*	Six Months Ended September 30,2007 *Combined*
Net sales	$ 4,368	$ 1,281	$ 5,649
Cost of goods sold (exclusive of depreciation and amortization shown below)	3,991	1,205	5,196
Selling, general and administrative expenses	130	95	225
Depreciation and amortization	155	28	183
Research and development expenses	23	6	29
Interest expense and amortization of debt issuance costs — net	81	26	107
(Gain) loss on change in fair value of derivative instruments — net	22	(20)	2
Equity in net (income) loss of non-consolidated affiliates	5	(1)	4
Sale transaction fees	—	32	32
Other expenses — net	4	4	8
	4,411	1,375	5,786
Loss before provision for taxes on loss and minority interests' share	(43)	(94)	(137)
Provision for taxes on loss	—	4	4
Loss before minority interests' share	(43)	(98)	(141)
Minority interests' share	2	1	3
Net loss	$ (41)	$ (97)	$ (138)

HIGHLIGHTS

Significant highlights, events and factors impacting our business during the quarters and six months ended September 30, 2007 and 2006 are presented briefly below. Each is discussed in further detail throughout MD&A.

- Shipments and selected financial information are as follows ($ in millions):

	Quarter Ended September 30,		Six Months Ended September 30,	
	2007 *Successor*	2006 *Predecessor*	2007 *Combined*	2006 *Predecessor*
Shipments (kt):				
Rolled products	747	737	1,504	1,490
Ingot products	42	37	81	84
Total shipments	789	774	1,585	1,574
Net sales	$ 2,821	$ 2,494	$ 5,649	$ 5,058
Net income (loss)	$ 13	$ (102)	$ (138)	$ (96)
Net increase (decrease) in total debt(A)	$ (43)	$ (37)	$ 205	$ (81)

(A) Net increase (decrease) in total debt is measured comparing the period-end amounts of our total outstanding debt (including short-term borrowings) as shown in our condensed consolidated balance sheets. For the three and six months ended September 30, 2007, the net increase (decrease) in total debt excludes the change in unamortized fair value adjustments recorded as part of the Arrangement.

- Rolled products shipments increased during the second quarter and on a year to date basis in all regions except North America primarily as a result of increased demand in their respective regional can markets. Compared to the prior year, the North American demand for rolled products has declined across all product groups, most notably in the industrial and distributor markets partially due to a slowdown in housing construction. In addition, a strike at a key can customer in North America contributed to lower shipments year over year.

- London Metal Exchange (LME) pricing for aluminum (metal) was an average of 2.7% and 3.3% higher during the second quarter and six months ended September 30, 2007 than the comparable prior year periods. However, cash prices have trended down this fiscal year and cash prices as of March 31, 2007; June 30, 2007 and September 30, 2007 were $2,792; $2,686 and $2,440, respectively. This trend negatively impacted our fiscal 2008 second quarter and six month results as described more fully below under Metal Price Lag.

- Net sales for the second quarter and six months ended September 30, 2007 increased from the comparable prior year periods due primarily to increased volume and prices, lower exposure to metal price ceilings, a strengthening euro and a rise in average LME prices. The benefit of higher LME prices was limited by metal price ceilings in sales contracts representing approximately 10% of our total shipments during both the quarter and six months ended September 30, 2007, compared to 20% of our total shipments in the same prior year periods. During the second quarter of fiscal 2008 and the comparable prior year quarter, we were unable to pass through approximately $60 million and $115 million, respectively, of metal purchase costs associated with sales under these contracts, for a net favorable comparable impact of approximately $55 million.

  During the six months ended September 30, 2007 and the comparable prior year period, we were unable to pass through approximately $140 million and $255 million, respectively, of metal purchase costs associated with sales under these contracts, for a net favorable comparable impact of approximately $115 million.

Net sales for the second quarter and six months ended September 30, 2007 was also favorably impacted by $85 million and $129 million, respectively, related to the accretion of fair value reserves associated with these contracts, as discussed more fully below under Metal Price Ceilings.

- Compared to the six months ended September 30, 2006, net loss for the six months ended September 30, 2007 was impacted by the following items associated with or triggered by the Arrangement: (1) $43 million (pre-tax) of incremental stock compensation expense, (2) $32 million (pre-tax) of sale transaction fees and (3) $10 million (pre-tax) of incremental income (described below) associated with push down accounting and the preliminary fair value allocation of purchase price.
- During the second quarter of fiscal 2008 we reduced our total debt by $43 million; however, on a year to date basis, our total debt increased $205 million (excluding unamortized fair value adjustments recorded as part of the acquisition by Hindalco) as a result of our need to fund additional working capital requirements and certain costs associated with the Arrangement, including sale transaction fees and share-based compensation.
- As described more fully in Note 2 — Acquisition of Novelis Common Stock in the accompanying condensed and consolidated financial statements, the consideration paid by Hindalco to acquire Novelis has been pushed down to us and initially allocated to the assets acquired and liabilities assumed based on our preliminary estimates of fair value, using methodologies and assumptions that we believe are reasonable. This preliminary allocation of fair value results in additional charges or income to our post-acquisition consolidated statements of operations. A summary of the pre-tax impacts of these items on the second quarter and six months ended September 30, 2007 is shown below (in millions).

	Quarter Ended September 30, 2007 Increase (Decrease) to:		Six Months Ended September 30, 2007 Increase (Decrease) to:	
	Pre-Tax Income	Segment Income(A)	Pre-Tax Income	Segment Income(A)
Favorable/unfavorable contracts	$ 83	$ 83	$ 126	$ 126
Depreciation and amortization	(43)	—	(65)	—
In-process research and development	—	—	(9)	(9)
Inventory	(6)	(6)	(35)	(35)
Equity investments	(8)	—	(11)	—
Fair value of debt	3	—	4	—
Total impact	$ 29	$ 77	$ 10	$ 82

(A) We use Segment Income to measure the profitability and financial performance of our operating segments, as discussed below in OPERATING SEGMENT REVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2007 COMPARED TO THE QUARTER ENDED SEPTEMBER 30, 2006.

OUR BUSINESS

Business Model and Key Concepts

Most of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of metal to our customers. Nearly all of our products have a price structure with two components: (i) a pass-through aluminum price based on the LME plus local market premiums and (ii) a “margin over metal” price based on the conversion cost to produce the rolled product and the competitive market conditions for that product.

Metal Price Ceilings

Sales contracts representing approximately 10% of our total shipments for both the quarter and six months ended September 30, 2007 and 20% for both of the comparable prior year periods, provide for a ceiling over

which metal purchase costs cannot contractually be passed through to certain customers, unless adjusted. This negatively impacts our margins when the price we pay for metal is above the ceiling price contained in these contracts. During the quarter ended September 30, 2007 and the comparable prior year period, we were unable to pass through approximately $60 million and $115 million, respectively, of metal purchase costs associated with sales under these contracts. During the six months ended September 30, 2007 and the comparable prior year period, we were unable to pass through approximately $140 million and $255 million, respectively, of metal purchase costs associated with sales under these contracts. We calculate and report this difference to be approximately the difference between the quoted purchase price on the LME (adjusted for any local premiums and for any price lag associated with purchasing or processing time) and the metal price ceiling in our contracts. Cash flows from operations are negatively impacted by the same amounts, adjusted for any timing difference between customer receipts and vendor payments, and offset partially by reduced income taxes.

Based on a September 30, 2007 aluminum price of $2,440 per tonne, and our best estimate of a range of shipment volumes, we estimate that we will be unable to pass through aluminum purchase costs of approximately $90 — $95 million for the remainder of fiscal 2008 and $285 — $300 million in the aggregate thereafter.

In connection with the preliminary allocation of purchase price (i.e., total consideration) paid by Hindalco, we established reserves totaling $655 million as of May 15, 2007 to record these contracts at fair value. Fair value effectively represents the discounted cash flows of the forecasted metal purchase costs in excess of the metal price ceilings contained in these contracts. These reserves are being accreted into Net sales over the remaining lives of the underlying contracts, and this accretion will not impact future cash flows. We recorded total accretion of $129 million during the period from May 16, 2007 through September 30, 2007, $44 million of which was recorded during the period from May 16, 2007 through June 30, 2007, and $85 million of which was recorded during the quarter ended September 30, 2007.

Metal Price Lag

On certain sales contracts we experience timing differences on the pass through of changing aluminum prices based on the difference between the price we pay for aluminum and the price we ultimately charge our customers after the aluminum is processed. Generally, and in the short-term, in periods of rising prices our earnings benefit from this timing difference while the opposite is true in periods of declining prices, and we refer to this timing difference as metal price lag. Metal price lag negatively impacted the quarter ended September 30, 2007 by $22 million and the comparable prior year period by approximately $33 million, for a net favorable impact of $11 million. For the six months ended September 30, 2007, metal price lag negatively impacted our results by $23 million and benefited the comparable prior year period by approximately $44 million, for a net unfavorable impact of $67 million. These amounts are reported herein without regard to the effects of any derivative instruments we purchased to offset this risk as described below.

In Europe, certain of our sales contracts contain fixed metal prices for periods of time such as four to thirty-six months. In some cases, this can result in a negative (positive) impact on sales as metal prices increase (decrease) because the prices are fixed at historical levels. The positive or negative impact on sales under these contracts has been included in the metal price lag effect quantified above, without regard to the effects of any derivative instruments we purchase to offset this risk as described below.

Risk Mitigation

We employ three strategies to mitigate our risk of rising metal prices that we cannot pass through to certain customers due to metal price ceilings. First, we maximize the amount of our internally supplied metal inputs from our smelting, refining and mining operations in Brazil. Second, we rely on the output from our recycling operations which utilize used beverage cans (UBCs). Both of these sources of aluminum supply have historically provided a benefit as these sources of metal are typically less expensive than purchasing aluminum from third party suppliers. We refer to these two sources as our internal hedges.

Beyond our internal hedges described above, our third strategy to mitigate the risk of loss or reduced profitability associated with the metal price ceilings is to purchase futures, call options and/or synthetic call options on projected aluminum volume requirements above our assumed internal hedge position. To hedge our

exposure in 2006, we previously purchased call options at various strike prices. In September 2006, we began purchasing both fixed forward derivative instruments and put options, thereby creating synthetic call options, to hedge our exposure to further metal price increases.

During the quarter ended September 30, 2006, we began selling short-term LME forward contracts to mitigate the impact of metal price lag. In Europe, we enter into forward metal purchases simultaneous with the contracts that contain fixed metal prices. These forward metal purchases directly hedge the economic risk of future metal price fluctuation associated with these contracts. The positive or negative impact on sales under these contracts has been included in the metal price lag effect described above, without regard to the effects of any derivative instruments we purchase to offset this risk. The net sales and Segment Income impacts are described more fully in the Operations and Segment Review for our Europe operating segment.

For accounting purposes, we do not treat all derivative instruments as hedges under FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities.* In those cases, changes in fair value are recognized immediately in earnings, which results in the recognition of fair value as a gain or loss in advance of the contract settlement, and we expect further earnings volatility as a result. In the accompanying condensed consolidated statements of operations, changes in fair value of derivative instruments not accounted for as hedges under FASB Statement No. 133 are recognized in (Gain) loss on change in fair value of derivative instruments — net. These gains or losses may or may not result from cash settlement. For Segment Income purposes we only include the impact of the derivative gains or losses to the extent they are settled in cash during that period.

Internal Controls

We previously reported in our Annual Report on Form 10-K for the year ended December 31, 2006 and continue to report as of September 30, 2007, that we have a material weakness in our internal control over financial reporting as we did not maintain effective controls over accounting for income taxes. See Item 4. Controls and Procedures.

Spin-Off From Alcan

On May 18, 2004, Alcan announced its intention to transfer its rolled products businesses into a separate company and to pursue a spin-off of that company to its shareholders. The rolled products businesses were managed under two separate operating segments within Alcan — Rolled Products Americas and Asia; and Rolled Products Europe. On January 6, 2005, Alcan and its subsidiaries contributed and transferred to Novelis substantially all of the aluminum rolled products businesses operated by Alcan, together with some of Alcan's alumina and primary metal-related businesses in Brazil, which are fully integrated with the rolled products operations there, as well as four rolling facilities in Europe whose end-use markets and customers were similar to ours.

Post-Transaction Adjustments

The agreements giving effect to the spin-off provide for various post-transaction adjustments and the resolution of outstanding matters. On November 8, 2006, we executed a settlement agreement with Alcan resolving the working capital and cash balance adjustments to our opening balance sheet and issues relating to the transfer of U.S. pension assets and liabilities from Alcan to Novelis. As of September 30, 2007, there remained an outstanding matter related to two pension plans for those employees who elected to transfer their past service to Novelis, one in the U.K. and one in Canada. In October 2007, we completed the transfer of U.K. plan assets and liabilities. Plan liabilities assumed exceeded assets received by approximately $7 million. We expect the transfer of pension assets and liabilities in Canada will take place by December 31, 2007, and we expect that the plan assets transferred will approximate the liabilities assumed. To the extent that that differences between transferred plan assets and liabilities exist, we will record purchase price adjustments to goodwill in our final purchase price allocation.

Agreements between Novelis and Alcan

At the spin-off, we entered into various agreements with Alcan including the use of transitional and technical services, the supply from Alcan of metal and alumina, the licensing of certain of Alcan's patents, trademarks and other intellectual property rights, and the use of certain buildings, machinery and equipment, technology and employees at certain facilities retained by Alcan, but required in our business. The terms and conditions of the agreements were determined primarily by Alcan and may not reflect what two unaffiliated parties might have agreed to. Had these agreements been negotiated with unaffiliated third parties, their terms may have been more favorable, or less favorable, to us. See Item 1. Business in our Annual Report on Form 10-K for the year ended December 31, 2006 for additional information.

OPERATIONS AND SEGMENT REVIEW

The following tables present our shipments, our results of operations, prices for aluminum, oil and natural gas and key currency exchange rates for the quarters and six months ended September 30, 2007 and 2006, and the changes from period to period.

	Quarter Ended September 30,		Percent Change	Six Months Ended September 30,		Percent Change
	2007 *Successor*	2006 *Predecessor*		2007 *Combined*	2006 *Predecessor*	
Shipments (kt):						
Rolled products, including tolling (the conversion of customer-owned metal)	747	737	1.4%	1,504	1,490	0.9%
Ingot products, including primary and secondary ingot and recyclable aluminum	42	37	13.5%	81	84	(3.6)%
Total shipments	789	774	1.9%	1,585	1,574	0.7%

	Quarter Ended September 30,		Percent Change	Six Months Ended September 30,		Percent Change
	2007 *Successor*	2006 *Predecessor*		2007 *Combined*	2006 *Predecessor*	
Results of Operations						
($ in millions)						
Net sales	$ 2,821	$ 2,494	13.1%	$ 5,649	$ 5,058	11.7%
Cost of goods sold (exclusive of depreciation and amortization shown below)	2,555	2,389	6.9%	5,196	4,796	8.3%
Selling, general and administrative expenses	88	103	(14.6)%	225	201	11.9%
Depreciation and amortization	102	57	78.9%	183	116	57.8%
Research and development expenses	10	10	—%	29	20	45.0%
Interest expense and amortization of debt issuance costs — net	56	52	7.7%	107	101	5.9%
(Gain) loss on change in fair value of derivatives — net	36	37	(2.7)%	2	(4)	(150.0)%
Equity in net (income) loss of non-consolidated affiliates	4	(5)	(180.0)%	4	(9)	(144.4)%
Sale transaction fees	—	—	—%	32	—	n.m.
Other (income) expenses — net	(7)	7	(200.0)%	8	3	166.7%
	2,844	2,650	7.3%	5,786	5,224	10.8%
Loss before provision (benefit) for taxes on loss and minority interests' share	(23)	(156)	(85.3)%	(137)	(166)	(17.5)%
Provision (benefit) for taxes on loss	(36)	(52)	(30.8)%	4	(72)	(105.6)%
Income (loss) before minority interests' share	13	(104)	(112.5)%	(141)	(94)	50.0%
Minority interests' share	—	2	(100.0)%	3	(2)	(250.0)%
Net income (loss)	$ 13	$ (102)	(112.7)%	$ (138)	$ (96)	43.8%

n.m. — not meaningful

	Quarter Ended September 30, 2007 Successor	Quarter Ended September 30, 2006 Predecessor	Percent Change	Six Months Ended September 30, 2007 Combined	Six Months Ended September 30, 2006 Predecessor	Percent Change
London Metal Exchange Prices						
Aluminum (per metric tonne, and presented in U.S. dollars):						
Closing cash price as of end of period	$ 2,440	$ 2,572	(5.1)%	$ 2,440	$ 2,572	(5.1)%
Average cash price during the period	$ 2,547	$ 2,481	2.7%	$ 2,654	$ 2,568	3.3%

	Quarter Ended September 30, 2007 Successor	Quarter Ended September 30, 2006 Predecessor	U.S. Dollar Strengthen/ (Weaken)	Six Months Ended September 30, 2007 Combined	Six Months Ended September 30, 2006 Predecessor	U.S. Dollar Strengthen/ (Weaken)
Federal Reserve Bank of New York Exchange Rates						
Average of the month end rates:						
U.S. dollar per Euro	1.386	1.275	(8.7)%	1.370	1.275	(7.5)%
Brazilian real per U.S. dollar	1.891	2.161	(12.5)%	1.926	2.173	(11.4)%
South Korean won per U.S. dollar	924	954	(3.1)%	925	950	(2.6)%
Canadian dollar per U.S. dollar	1.039	1.118	(7.1)%	1.060	1.115	(4.9)%

	Quarter Ended September 30, 2007 Successor	Quarter Ended September 30, 2006 Predecessor	Percent Change	Six Months Ended September 30, 2007 Combined	Six Months Ended September 30, 2006 Predecessor	Percent Change
New York Mercantile Exchange — Energy Price Quotations						
Light Sweet Crude						
Average settlement price (per barrel)	$ 71.08	$ 71.55	(0.7)%	$ 66.39	$ 69.40	(4.3)%
Natural Gas						
Average Henry Hub contract settlement price (per MMBTU)(A)	$ 6.16	$ 6.58	(6.4)%	$ 6.85	$ 6.68	2.5%

(A) One MMBTU is the equivalent of one decatherm, or one million British Thermal Units.

RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2007 COMPARED TO THE QUARTER ENDED SEPTEMBER 30, 2006

Shipments

Rolled products shipments increased during the second quarter in all regions except North America primarily as a result of increased demand in their respective regional can markets. Compared to the prior year, the North American demand for rolled products has declined across all product groups, most notably in the industrial and distributor markets partially due to a slowdown in housing construction.

Net sales

Net sales for the quarter ended September 30, 2007 increased from the comparable prior year period due primarily to increased volume and prices, lower exposure to metal price ceilings, a strengthening euro and a rise in average LME prices. Metal represents approximately 60% — 70% of the sales value of our products.

Net sales for the second quarter of fiscal 2008 were adversely impacted in North America due to price ceilings on certain can contracts, which limited our ability to pass through approximately $60 million of metal purchase costs. In comparison, we were unable to pass through approximately $115 million of metal purchase costs in the comparable prior year period, for a net favorable impact of approximately $55 million. North America net sales were also favorably positively impacted by $85 million related to the accretion of the contract fair value reserves, discussed above in Metal Price Ceilings.

Costs and expenses

The following table presents our costs and expenses for the quarters ended September 30, 2007 and 2006, in U.S. dollars and expressed as percentages of net sales.

	Quarter Ended September 30,			
	2007		2006	
	$ in millions	% of net sales	$ in millions	% of net sales
	Successor		Predecessor	
Cost of goods sold (exclusive of depreciation and amortization shown below)	$ 2,555	90.5%	$ 2,389	95.8%
Selling, general and administrative expenses	88	3.1%	103	4.1%
Depreciation and amortization	102	3.6%	57	2.3%
Research and development expenses	10	0.4%	10	0.4%
Interest expense and amortization of debt issuance costs — net	56	2.0%	52	2.1%
Loss on change in fair value of derivative instruments — net	36	1.3%	37	1.5%
Equity in net income (loss) of non-consolidated affiliates	4	0.1%	(5)	(0.2)%
Other (income) expenses — net	(7)	(0.2)%	7	0.3%
	$ 2,844	100.8%	$ 2,650	106.3%

Cost of goods sold. Metal represents approximately 70% — 80% of our input costs, and the increase in cost of goods sold in U.S. dollar terms is primarily due to the impact of higher LME prices. As a percentage of net sales, cost of goods sold was adversely impacted in both periods due to price ceilings on certain can contracts, as discussed above; however, the current year quarter benefited from less volume sold under these contracts, as well as the accretion of the contract fair value reserves.

Selling, general and administrative expenses (SG&A). SG&A decreased primarily as a result of lower corporate costs, which were $17 million lower in the current quarter due primarily to (1) $6 million of severance recorded last year for our former chief executive officer, (2) a $4 million reduction in legal and professional fees (primarily associated with the use of third party consultants to assist with our financial reporting requirements), (3) a $3 million reduction in share-based compensation expense and (4) a $4 million reduction in salaries, benefits and other employee related costs.

Depreciation and amortization. As a result of the Arrangement, as of May 15, 2007, we recorded increases in the basis to our property, plant and equipment and intangible assets. This results in higher post-acquisition depreciation and amortization and explains the increase shown above.

Other (income) expenses — net. We incurred $10 million of restructuring expenses in the prior year quarter primarily related to actions taken to reduce overhead costs and to streamline certain functions at two of our business units in Europe. The other remaining differences are primarily exchange related.

Provision (benefit) for taxes on loss

For the three months ended September 30, 2007, we recorded a $36 million benefit for taxes on our pre-tax loss of $19 million, before our equity in net (income) loss of non-consolidated affiliates and minority interests' share, which represented an effective tax rate of 189%. Our effective tax rate is greater than the benefit at the Canadian statutory rate due primarily to (1) a $74 million benefit from the effects of enacted tax rate changes on cumulative taxable temporary differences, partially offset by (2) $27 million for (a) pre-tax foreign currency gains or losses with no tax effect and (b) the tax effect of U.S. dollar denominated currency gains or losses with no pre-tax effect and (3) a $19 million increase in valuation allowances primarily related to tax losses in certain jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses.

For the three months ended September 30, 2006, we recorded a $52 million benefit for taxes on our pre-tax loss of $161 million, before our equity in net (income) loss of non-consolidated affiliates and minority interests' share, which represented an effective tax rate of 32%. Our effective tax rate is less than the benefit at the Canadian statutory rate due primarily to (1) a $12 million increase in valuation allowances related to tax losses in certain jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses, mostly offset by (2) an $11 million benefit from differences between the Canadian statutory and foreign effective tax rates resulting from the application of an annual effective tax rate to profit and loss entities in different jurisdictions.

Net income

We reported net income of $13 million for the quarter ended September 30, 2007 compared to a net loss of $102 million for the quarter ended September 30, 2006.

OPERATING SEGMENT REVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2007 COMPARED TO THE QUARTER ENDED SEPTEMBER 30, 2006

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

As a result of the acquisition by Hindalco, and based on the way our President and Chief Operating Officer (our chief operating decision-maker) reviews the results of segment operations, during the quarter ended June 30, 2007, we changed our segment performance measure to Segment Income, as defined below. As a result, certain prior period amounts have been reclassified to conform to the new segment performance measure.

We measure the profitability and financial performance of our operating segments, based on Segment Income, in accordance with FASB Statement No. 131, *Disclosure About the Segments of an Enterprise and Related Information.* Segment Income provides a measure of our underlying segment results that is in line with our portfolio approach to risk management. We define Segment Income as earnings before (a) interest expense and amortization of debt issuance costs — net; (b) unrealized gains (losses) on change in fair value of derivative instruments — net; (c) realized gains (losses) on corporate derivative instruments — net; (d) depreciation and amortization; (e) impairment charges on long-lived assets; (f) minority interests' share; (g) adjustments to reconcile our proportional share of Segment Income from non-consolidated affiliates to income as determined on the equity method of accounting; (h) restructuring charges — net; (i) gains or losses on disposals of property, plant and equipment and businesses — net; (j) corporate selling, general and administrative expenses; (k) other costs — net; (l) litigation settlement — net of insurance recoveries; (m) sale transaction fees; (n) provision or benefit for taxes on income (loss) and (o) cumulative effect of accounting change — net of tax.

Net sales and expenses are measured in accordance with the policies and procedures described in Note 1 — Business and Summary of Significant Accounting Policies to our consolidated and combined financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006.

We do not treat all derivative instruments as hedges under FASB Statement No. 133. Accordingly, changes in fair value are recognized immediately in earnings, which results in the recognition of fair value as a gain or loss in advance of the contract settlement. In the accompanying condensed consolidated statements of operations, changes in fair value of derivative instruments not accounted for as hedges under FASB Statement No. 133 are recognized in (Gain) loss on change in fair value of derivative instruments — net. These gains or losses may or may not result from cash settlement. For Segment Income purposes we only include the impact of the derivative gains or losses to the extent they are settled in cash (i.e., realized) during that period.

Reconciliation

The following table presents Segment Income (Loss) by operating segment and reconciles Total Segment Income to Net income (loss) (in millions).

	Quarter Ended September 30,	
	2007 *Successor*	2006 *Predecessor*
Segment Income (Loss)		
North America	$ 89	$ (18)
Europe	67	68
Asia	18	16
South America	46	37
Total Segment Income	220	103
Interest expense and amortization of debt issuance costs — net	(56)	(52)
Unrealized gains (losses) on change in fair value of derivative instruments — net(A)	(87)	(98)
Realized gains (losses) on corporate derivative instruments — net	29	—
Depreciation and amortization	(102)	(57)
Minority interests' share	—	2
Adjustment to eliminate proportional consolidation(B)	(17)	(9)
Restructuring charges — net	—	(10)
Gains or (losses) on disposal of property, plant, and equipment — net	—	(2)
Corporate selling, general and administrative expenses	(16)	(33)
Other costs — net	6	2
Benefit for taxes on loss	36	52
Net income (loss)	$ 13	$ (102)

(A) Unrealized gains (losses) on change in fair value of derivative instruments — net represents the portion of gains (losses) that were not settled in cash during the period.

(B) Our financial information for our segments (including Segment Income) includes the results of our non-consolidated affiliates on a proportionately consolidated basis, which is consistent with the way we manage our business segments. However, under GAAP, these non-consolidated affiliates are accounted for using the equity method of accounting. Therefore, in order to reconcile Total Segment Income to Net income (loss), the proportional Segment Income of these non-consolidated affiliates is removed from Total Segment Income, net of our share of their net after-tax results, which is reported as Equity in net (income) loss of non-consolidated affiliates on our condensed consolidated statements of operations. See Note 7 — Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions for further information about these non-consolidated affiliates.

OPERATING SEGMENT RESULTS

North America

As of September 30, 2007, North America manufactured aluminum sheet and light gauge products through 10 aluminum rolled products facilities and two dedicated recycling facilities. Important end-use applications include beverage cans, containers and packaging, automotive and other transportation applications, building products and other industrial applications.

The following table presents key financial and operating information for North America ($ in millions).

	Quarter Ended September 30, 2007 *Successor*	Quarter Ended September 30, 2006 *Predecessor*	Percent Change
Shipments (kt):			
Rolled products	279	296	(5.7)%
Ingot products	17	17	—%
Total shipments	296	313	(5.4)%
Net sales	$ 1,050	$ 954	10.1%
Segment Income (Loss)	$ 89	$ (18)	(594.4)%
Total assets	$ 4,468	$ 1,487	200.5%

Shipments

Rolled products shipments declined primarily due to reduced distributor and industrial demand. Distributors are reducing purchases primarily due to a slowdown in the housing market.

Net sales

Net sales increased primarily as a result of reduced exposure to contracts with price ceilings and unfavorable contract fair value accretion as discussed above in Metal Price Ceilings. During the second quarter of fiscal 2008, we were unable to pass through approximately $60 million of metal purchase costs. During the comparable prior year period, we were unable to pass through approximately $115 million of metal purchase costs, for a net favorable comparable impact of approximately $55 million. The second quarter of fiscal 2008 was also favorably impacted by $85 million related to the accretion of the contract fair value reserves, as discussed in Metal Price Ceilings. These positive impacts were partially offset by lower volume.

Segment Income (Loss)

As compared to the quarter ended September 30, 2006, Segment Income for the second quarter of fiscal 2008 was favorably impacted by $140 million as a result of the impact of the price ceilings, including the accretion of the contract fair value reserves, described above. Segment Income was also positively impacted by approximately $14 million due to higher selling prices and approximately $20 million due to improved UBC spreads and lower metal premiums. These positive factors were partially offset by (1) lower realized gains related to the cash settlement of derivatives of approximately $35 million, (2) lower volume and mix which negatively impacted Segment Income by approximately $28 million and (3) slightly higher operating costs.

Total assets

The consideration and related costs paid by Hindalco in connection with the Arrangement have been pushed down to us and, in turn, to each of our reporting units, and have been allocated to the assets acquired and liabilities assumed based on their relative fair values. This increased North America assets by approximately $3.0 billion as fair value exceeded historical cost. See Note 2 — Acquisition of Novelis Common Stock in the accompanying condensed and consolidated financial statements.

Europe

As of September 30, 2007, our European segment provided European markets with value-added sheet and light gauge products through 13 aluminum rolled products facilities and one dedicated recycling facility. Europe serves a broad range of aluminum rolled product end-use markets in various applications including can, automotive, lithographic and painted products.

The following table presents key financial and operating information for Europe ($ in millions).

	Quarter Ended September 30,		
	2007 *Successor*	2006 *Predecessor*	Percent Change
Shipments (kt):			
Rolled products	275	265	3.8%
Ingot products	8	4	100.0%
Total shipments	283	269	5.2%
Net sales	$ 1,092	$ 940	16.2%
Segment Income	$ 67	$ 68	(1.5)%
Total assets	$ 3,388	$ 2,392	41.6%

Shipments

Rolled products shipments increased primarily as a result of increased demand in the can market. Shipments into most other markets were comparable between periods.

Net sales

Net sales increased primarily as a result of (1) incremental volume, (2) the increase in average LME metal prices, (3) currency benefits as the euro strengthened against the U.S. dollar and (4) higher selling prices. These factors contributed approximately (1) $48 million, (2) $55 million, (3) $35 million and (4) $11 million, respectively, to net sales in the second quarter of fiscal 2008 when compared to the comparable prior year period.

Segment Income

Segment Income was favorably impacted in fiscal 2008 primarily by (1) increased volume, (2) prices, (3) currency benefits as the euro strengthened against the U.S. dollar and (4) metal price lag. These factors improved Segment Income in the second quarter of fiscal 2008 by approximately (1) $7 million, (2) $11 million, (3) $7 million and (4) $5 million, respectively, versus the comparable prior year period. These positive factors were more than offset by differences of $16 million of higher operating costs including energy, freight and labor, $13 million in lower realized gains on derivatives, and expenses associated with fair value adjustments recorded as a result of the Arrangement.

Total assets

The consideration and related costs paid by Hindalco in connection with the Arrangement have been pushed down to us and, in turn, to each of our reporting units, and have been allocated to the assets acquired and liabilities assumed based on their relative fair values. This increased Europe assets by approximately $1.0 billion as fair value exceeded historical cost. See Note 2 — Acquisition of Novelis Common Stock in the accompanying condensed and consolidated financial statements.

Asia

As of September 30, 2007, Asia operated three manufacturing facilities, with production balanced between foil, construction and industrial, and beverage and food can end-use applications.

The following table presents key financial and operating information for Asia ($ in millions).

	Quarter Ended September 30, 2007 *Successor*	Quarter Ended September 30, 2006 *Predecessor*	Percent Change
Shipments (kt):			
Rolled products	116	106	9.4%
Ingot products	10	9	11.1%
Total shipments	126	115	9.6%
Net sales	$ 438	$ 388	12.9%
Segment Income	$ 18	$ 16	12.5%
Total assets	$ 1,363	$ 1,021	33.5%

Shipments

Rolled products shipments increased primarily due to higher sales in the can market. Shipments into other markets were comparable between periods.

Net sales

Net sales increased primarily as a result of higher volume and the increase in average LME metal prices, which was largely passed through to customers.

Segment Income

Segment Income increased by approximately $5 million due to higher volume. However, this was partially offset by the negative impact of the strengthening Korean won.

Total assets

The consideration and related costs paid by Hindalco in connection with the Arrangement have been pushed down to us and, in turn, to each of our reporting units, and have been allocated to the assets acquired and liabilities assumed based on their relative fair values. This increased Asia assets by approximately $298 million as fair value exceeded historical cost. See Note 2 — Acquisition of Novelis Common Stock in the accompanying condensed and consolidated financial statements.

South America

As of September 30, 2007, South America operated two rolling plants in Brazil along with two smelters, an alumina refinery, bauxite mines and power generation facilities. South America manufactures various aluminum rolled products, including can stock, automotive and industrial sheet and light gauge for the beverage and food can, construction and industrial and transportation end-use markets.

The following table presents key financial and operating information for South America ($ in millions).

	Quarter Ended September 30, 2007		Percent Change
	2007 *Successor*	2006 *Predecessor*	
Shipments (kt):			
Rolled products	77	70	10.0%
Ingot products	7	7	—%
Total shipments	84	77	9.1%
Net sales	$ 241	$ 216	11.6%
Segment Income	$ 46	$ 37	24.3%
Total assets	$ 1,353	$ 814	66.2%

Shipments

Rolled products shipments increased during the second quarter of fiscal 2008 over the comparable prior year period primarily due to an increase in can shipments driven by strong market demand. This was slightly offset by reductions in shipments in the industrial products markets.

Net sales

Net sales increased primarily as a result of higher shipments and higher LME prices.

Segment Income

Segment Income was favorably impacted during the second quarter of fiscal 2008 primarily due to (1) increased shipments described above, (2) higher selling prices, (3) higher realized gains from derivative settlements and (4) a favorable social tax reserve adjustment. These factors improved Segment Income in the second quarter of fiscal 2008 by approximately (1) $4 million, (2) $15 million, (3) $6 million and (4) $6 million, respectively, as compared to the prior year period. These positive factors were partially offset by the strengthening of the Brazilian real, which reduced Segment Income by $12 million and other cost increases of $8 million.

Total assets

The consideration and related costs paid by Hindalco in connection with the Arrangement have been pushed down to us and, in turn, to each of our reporting units, and have been allocated to the assets acquired and liabilities assumed based on their relative fair values. This increased South America assets by approximately $471 million as fair value exceeded historical cost. See Note 2 — Acquisition of Novelis Common Stock in the accompanying condensed and consolidated financial statements.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 (ON A COMBINED NON-GAAP BASIS) COMPARED TO THE SIX MONTHS ENDED SEPTEMBER 30, 2006

As discussed above, the Arrangement created a new basis of accounting. Under GAAP, the condensed consolidated financial statements for the six months ended September 30, 2007 are presented in two distinct periods, as Predecessor and Successor entities are not comparable in all material respects. However, in order to facilitate an understanding of our results of operations for the six months ended September 30, 2007 in comparison with the six months ended September 30, 2006, our Predecessor and Successor results are presented herein on a combined basis. The combined results of operations are non-GAAP financial measures and should not be used in isolation or substitution of the Predecessor and Successor results.

Shipments

Compared to the prior year, rolled products shipments increased on a year to date basis in all regions except North America primarily as a result of increased demand in their respective regional can markets. Compared to the prior year, North American demand for rolled products has declined across all product groups, most notably in the industrial and distributor markets partially due to a slowdown in housing construction. In addition, a strike at a key can customer in North America contributed to lower shipments year over year.

Net sales

Higher net sales in the six months ended September 30, 2007 resulted primarily from (1) the increase in LME metal pricing, which was 3.3% higher on average during the fiscal 2008 period than the comparable prior year period, (2) lower exposure to contracts with price ceilings (discussed below) in North America, (3) improved pricing and (4) currency benefits as the euro strengthened against the dollar. The positive impact of increased volume in Europe, South America and Asia was largely offset by the decrease in volume in North America. Metal represents approximately 60% — 70% of the sales value of our products.

Net sales for the six months ended September 30, 2007 were adversely impacted in North America due to price ceilings on certain can contracts, which limited our ability to pass through approximately $140 million of metal purchase costs. In comparison, we were unable to pass through approximately $255 million of metal purchase costs in the comparable prior year period, for a net favorable impact of approximately $115 million. In addition, North America net sales were favorably impacted by $129 million related to the accretion of the contract fair value reserves, discussed above in Metal Price Ceilings.

Costs and expenses

The following table presents our costs and expenses for the six months ended September 30, 2007 and 2006, in U.S. dollars and expressed as percentages of net sales.

	Six Months Ended September 30,			
	2007		2006	
	$ in millions	% of net sales	$ in millions	% of net sales
	Combined		*Predecessor*	
Cost of goods sold (exclusive of depreciation and amortization shown below)	$ 5,196	92.0%	$ 4,796	94.8%
Selling, general and administrative expenses	225	4.0%	201	4.0%
Depreciation and amortization	183	3.2%	116	2.3%
Research and development expenses	29	0.5%	20	0.4%
Interest expense and amortization of debt issuance costs — net	107	1.9%	101	2.0%
(Gain) loss on change in fair value of derivative instruments — net	2	—%	(4)	(0.1)%
Equity in net income (loss) of non-consolidated affiliates	4	0.1%	(9)	(0.2)%
Sale transaction fees	32	0.6%	—	—%
Other expenses — net	8	0.1%	3	0.1%
	$ 5,786	102.4%	$ 5,224	103.3%

Cost of goods sold. Metal represents approximately 70% — 80% of our input costs, and the increase in cost of goods sold in U.S. dollar terms is primarily due to the impact of higher LME prices. As a percentage of net sales, cost of goods sold was adversely impacted in both periods due to price ceilings on certain can contracts; however, the impact was lower in the current year to date period as a result of lower exposure to price ceilings and the impact of fair value adjustments as result of the Arrangement as described above.

Selling, general and administrative expenses. Compared to the six months ended September 30, 2006, SG&A for the six months ended September 30, 2007 increased primarily as a result of $43 million of incremental stock compensation expense as a result of the Arrangement, offset partially by lower corporate costs. Corporate costs (excluding stock compensation of $20 million included in the $43 million described above) were $22 million lower in the current year to date period primarily as a result of $10 million of severance recorded in the prior year to date period for certain former executives and an $11 million reduction in legal and professional fees (primarily associated with the use of third party consultants to assist with our financial reporting requirements in the prior year to date period).

Depreciation and amortization. As a result of the Arrangement, as of May 15, 2007, we recorded increases in the basis to our property, plant and equipment and intangible assets. This results in higher post-acquisition depreciation and amortization and explains the increase shown above.

Research and development expenses. Research and development expenses increased in fiscal 2008 over the comparable prior year period due to a one-time write-off of $9 million of in-process research and development costs resulting from the Arrangement.

Sale transaction fees. We incurred $32 million of fees and expenses related to the Arrangement during the period from April 1, 2007 through May 15, 2007.

Provision (benefit) for taxes on loss

For the six months ended September 30, 2007, we recorded a $4 million provision for taxes on our pre-tax loss of $133 million, before our equity in net (income) loss of non-consolidated affiliates and minority interests' share, which represented an effective tax rate of (3)%. Our effective tax rate is greater than the benefit at the Canadian statutory rate due primarily to (1) $70 million for (a) pre-tax foreign currency gains or losses with no tax effect and (b) the tax effect of U.S. dollar denominated currency gains or losses with no pre-tax effect, (2) a $53 million increase in valuation allowances primarily related to tax losses in certain jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses, (3) a $69 million benefit from the effects of enacted tax rate changes on cumulative taxable temporary differences and (4) a $30 million benefit from expense/income items with no tax effect — net.

For the six months ended September 30, 2006, we recorded a $72 million benefit for taxes on our pre-tax loss of $175 million, before our equity in net (income) loss of non-consolidated affiliates and minority interests' share, which represented an effective tax rate of 41%. Our effective tax rate is greater than the benefit at the Canadian statutory rate due primarily to (1) $26 million for (a) pre-tax foreign currency gains or losses with no tax effect and (b) the tax effect of U.S. dollar denominated currency gains or losses with no pre-tax effect, (2) a $9 million increase in valuation allowances primarily related to tax losses in certain jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses, which were more than offset by (3) a $40 million benefit from differences between the Canadian statutory and foreign effective tax rates resulting from the application of an annual effective tax rate to profit and loss entities in different jurisdictions and (4) a $9 million benefit from expense/income items with no tax effect — net.

Net loss

We reported a net loss of $138 million for the six months ended September 30, 2007 compared to a net loss of $96 million for the six months ended September 30, 2006.

OPERATING SEGMENT REVIEW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 (ON A COMBINED NON-GAAP BASIS) COMPARED TO THE SIX MONTHS ENDED SEPTEMBER 30, 2006

As discussed above, the Arrangement created a new basis of accounting. Under GAAP, the condensed consolidated financial statements for the six months ended September 30, 2007 are presented in two distinct periods, as Predecessor and Successor entities are not comparable in all material respects. However, in order to facilitate an understanding of our segment information for the six months ended September 30, 2007 in

comparison with the six months ended September 30, 2006, our Predecessor and Successor segment information is presented herein on a combined basis. The combined segment items are non-GAAP financial measures and should not be used in isolation or substitution of the Predecessor and Successor segment information.

Net sales

Shown below is the schedule of Net sales by operating segment for periods allocable to the Successor, Predecessor and the combined presentation for the six months ended September 30, 2007 that we use throughout MD&A (in millions).

	May 16, 2007 Through September 30, 2007 *Successor*	April 1, 2007 Through May 15, 2007 *Predecessor*	Six Months Ended September 30, 2007 *Combined*
Combined Net sales by Operating Segment:			
North America	$ 1,624	$ 446	$ 2,070
Europe	1,686	510	2,196
Asia	683	216	899
South America	375	109	484
Total Net sales	$ 4,368	$ 1,281	$ 5,649

Segment Income

Shown below is the schedule of our reconciliation from Total Segment Income to Net loss by operating segment for periods allocable to the Successor, Predecessor and the combined presentation for the six months ended September 30, 2007 that we use throughout MD&A (in millions).

	May 16, 2007 Through September 30, 2007 *Successor*	April 1, 2007 Through May 15, 2007 *Predecessor*	Six Months Ended September 30, 2007 *Combined*
Combined Results by Operating Segment:			
Segment Income (Loss)			
North America	$ 112	$ (24)	$ 88
Europe	110	32	142
Asia	17	6	23
South America	68	18	86
Total Segment Income	307	32	339
Interest expense and amortization of debt issuance costs — net	(81)	(26)	(107)
Unrealized gains (losses) on change in fair value of derivative instruments — net	(102)	5	(97)
Realized gains (losses) on corporate derivative instruments — net	37	(3)	34
Depreciation and amortization	(155)	(28)	(183)
Minority interests' share	2	1	3
Adjustment to eliminate proportional consolidation	(26)	(7)	(33)
Restructuring charges — net	(1)	(1)	(2)
Corporate selling, general and administrative expenses	(26)	(35)	(61)
Other costs — net	4	1	5
Sale transaction fees	—	(32)	(32)
Provision for taxes on loss	—	(4)	(4)
Net loss	$ (41)	$ (97)	$ (138)

Reconciliation

The following table presents Segment Income by operating segment and reconciles Total Segment Income to Net loss (in millions).

	Six Months Ended September 30,	
	2007 *Combined*	2006 *Predecessor*
Segment Income		
North America	$ 88	$ 7
Europe	142	146
Asia	23	40
South America	86	80
Total Segment Income	339	273
Interest expense and amortization of debt issuance costs — net	(107)	(101)
Unrealized losses on change in fair value of derivative instruments — net	(97)	(133)
Realized gains on corporate derivative instruments — net	34	—
Depreciation and amortization	(183)	(116)
Minority interests' share	3	(2)
Adjustment to eliminate proportional consolidation	(33)	(16)
Restructuring charges — net	(2)	(12)
Gains or (losses) on disposal of property, plant, and equipment — net	—	(2)
Corporate selling, general and administrative expenses	(61)	(63)
Other corporate costs — net	5	4
Sale transaction fees	(32)	—
Benefit (provision) for taxes on loss	(4)	72
Net loss	$ (138)	$ (96)

OPERATING SEGMENT RESULTS

North America

The following table presents key financial and operating information for North America ($ in millions).

	Six Months Ended September 30,		
	2007 *Combined*	2006 *Predecessor*	Percent Change
Shipments (kt):			
Rolled products	557	594	(6.2)%
Ingot products	33	42	(21.4)%
Total shipments	590	636	(7.2)%
Net sales	$ 2,070	$ 1,946	6.4%
Segment Income	$ 88	$ 7	1,157.1%

Shipments

Rolled products shipments declined by approximately 25kt due to reduced distributor demand and 12kt due to lower can volume. Distributors are reducing purchases primarily due to a slowdown in the housing market. North America can sheet shipments were negatively impacted by a labor strike at one of our large

customers during the first quarter of fiscal 2008. Ingot product shipments declined during the six months ended September 30, 2007 due to lower scrap sales and improved internal use of primary ingot, excess amounts of which were sold to third parties in the six months ended September 30, 2006.

Net sales

Net sales increased primarily as a result of reduced exposure to contracts with price ceilings and unfavorable contract fair value accretion as discussed above in Metal Price Ceilings. During the first six months of fiscal 2008 we were unable to pass through approximately $140 million of metal purchase costs. During the comparable prior year period, we were unable to pass through approximately $255 million of metal purchase costs, for a net favorable comparable impact of approximately $115 million. The first six months of 2008 was also favorably impacted by $129 million related to the accretion of the contract fair value reserves, as discussed in Metal Price Ceilings. North America was also positively impacted by improved pricing and higher LME, but this was more than offset by a reduction in volume.

Segment Income

As compared to the six months ended September 30, 2006, Segment Income for the six months ended September 30, 2007 was favorably impacted by $244 million as a result of the impact of the price ceilings, including the accretion of the contract fair value reserves, described above. Segment Income was also positively impacted by approximately $33 million due to higher selling prices and $10 million due to cost improvements. These positive factors were partially offset by (1) the negative impact of metal price lag which unfavorably impacted Segment Income by $47 million as compared to the six months ended September 30, 2006, (2) lower realized gains related to the cash settlement of derivatives of approximately $78 million, (3) lower volume which negatively impacted Segment Income by approximately $51 million, (4) incremental stock compensation expense of $10 million as a result of the Arrangement and (5) $20 million of additional expenses associated with fair value adjustments recorded as a result of the Arrangement.

Europe

The following table presents key financial and operating information for Europe ($ in millions).

	Six Months Ended September 30,		Percent Change
	2007 *Combined*	2006 *Predecessor*	
Shipments (kt):			
Rolled products	559	531	5.3%
Ingot products	12	7	71.4%
Total shipments	571	538	6.1%
Net sales	$ 2,196	$ 1,862	17.9%
Segment Income	$ 142	$ 146	(2.7)%

Shipments

Rolled products shipments increased approximately 21kt in the can market and 8kt in the light gauge and automotive markets. Shipments into other markets were comparable between periods.

Net sales

Net sales increased primarily as a result of (1) incremental volume, (2) the 3.3% increase in average LME metal prices, (3) currency benefits as the euro strengthened against the U.S. dollar and (4) higher selling prices. These factors contributed approximately (1) $123 million, (2) $124 million, (3) $62 million and (4) $21 million, respectively, to net sales in the six months ended September 30, 2007 when compared to the prior year period.

Segment Income

Segment Income was favorably impacted in fiscal 2008 primarily by (1) increased volume, (2) prices and (3) currency benefits as the euro strengthened against the U.S. dollar. These factors improved Segment Income in the six months ended September 30, 2007 by approximately (1) $18 million, (2) $20 million and (3) $7 million, respectively, versus the comparable prior year period. However, these positive factors were more than offset by (a) unfavorable metal price lag, (b) lower realized gains on derivative instruments, (c) higher operating costs including freight, energy and labor and (d) expenses associated with fair value adjustments recorded as a result of the Arrangement. These factors reduced Segment Income in the six months ended September 30, 2007 by approximately (a) $7 million, (b) $19 million, (c) $13 million and (d) $10 million, respectively, on a comparable basis.

Asia

The following table presents key financial and operating information for Asia ($ in millions).

	Six Months Ended September 30,		Percent Change
	2007 *Combined*	2006 *Predecessor*	
Shipments (kt):			
Rolled products	234	229	2.2%
Ingot products	22	22	—%
Total shipments	256	251	2.0%
Net sales	$ 899	$ 841	6.9%
Segment Income	$ 23	$ 40	(42.5)%

Shipments

Rolled products shipments increased 13kt in the can market due to increased demand. This increase was partially offset by a decline of shipments in the industrial and light gauge markets as a result of continued price pressure from Chinese exports, driven by the difference in aluminum metal prices on the Shanghai Foreign Exchange and the LME.

Net sales

Net sales increased approximately $30 million as a result of favorable metal price lag related to contracts priced with a one-quarter lag. Net sales also increased approximately $23 million due to the increase in higher average LME prices which was largely passed through to customers. Sales increases associated with higher volume were largely offset by a larger amount of tolled metal and mix changes.

Segment Income

While Segment Income benefited from the favorable metal price lag associated with certain sales contracts described above, this was more than offset by the metal price lag associated with inventory processing time. On a net basis, these items resulted in lower Segment Income by $5 million as compared to the prior year to date period. Segment Income was also unfavorably impacted by $4 million due to the strengthening of the won and by $9 million of additional expenses associated with fair value adjustments recorded as a result of the Arrangement.

South America

The following table presents key financial and operating information for South America ($ in millions).

	Six Months Ended September 30,		Percent Change
	2007 *Combined*	2006 *Predecessor*	
Shipments (kt):			
Rolled products	154	136	13.2%
Ingot products	14	13	7.7%
Total shipments	168	149	12.8%
Net sales	$ 484	$ 417	16.1%
Segment Income	$ 86	$ 80	7.5%

Shipments

Rolled products shipments increased during the six months ended September 30, 2007 over the comparable prior year period primarily due to an increase in can shipments driven by strong market demand. This was slightly offset by reductions in shipments in the industrial products markets.

Net sales

Net sales increased primarily as a result of higher shipments, increased prices and an increase in LME prices.

Segment Income

Segment Income during the six months ended September 30, 2007 was favorably impacted primarily by (1) increased shipments described above, (2) higher selling prices, (3) higher LME, (4) greater realized gains on derivative instruments and (5) a favorable social tax reserve adjustment. These factors improved Segment Income in the six months ended September 30, 2007 by approximately (1) $21 million, (2) $11 million, (3) $10 million, (4) $19 million and (5) $6 million, respectively, as compared to the prior year to date period. These positive factors were offset by metal price lag, which was less favorable than the prior year period by approximately $9 million, the strengthening of the Brazilian real, which reduced Segment Income by $27 million, $8 million of incremental expenses associated with fair value adjustments recorded as a result of the Arrangement and other cost increases of $17 million.

LIQUIDITY AND CAPITAL RESOURCES

As discussed above, the Arrangement created a new basis of accounting. Under GAAP, the condensed consolidated financial statements for the six months ended September 30, 2007 are presented in two distinct periods, as Predecessor and Successor entities are not comparable in all material respects. However, in order to facilitate an understanding of our liquidity and capital resources as of and for the six months ended September 30, 2007 in comparison with the six months ended September 30, 2006, our Predecessor and Successor cash flows are presented herein on a combined basis. The combined cash flows are non-GAAP financial measures and should not be used in isolation or substitution of the Predecessor and Successor cash flows.

Shown below is a condensed combining schedule of cash flows for periods allocable to the Successor, Predecessor and the combined presentation for the six months ended September 30, 2007 that we use throughout our discussion of liquidity and capital resources.

	May 16, 2007 Through September 30, 2007 *Successor*	April 1, 2007 Through May 15, 2007 *Predecessor*	Six Months Ended September 30, 2007 *Combined*
OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	$ 9	$ (230)	$ (221)
INVESTING ACTIVITIES			
Capital expenditures	(57)	(17)	(74)
Proceeds from sales of assets	1	—	1
Changes to investment in and advances to non-consolidated affiliates	3	1	4
Proceeds from loans receivable — net — related parties	10	—	10
Net proceeds from settlement of derivative instruments	66	18	84
Net cash provided by investing activities	23	2	25
FINANCING ACTIVITIES			
Proceeds from issuance of common stock	92	—	92
Proceeds from issuance of debt	960	150	1,110
Principal repayments	(905)	(1)	(906)
Short-term borrowings — net	(65)	60	(5)
Dividends — minority interests	(1)	(7)	(8)
Debt issuance costs	(35)	(2)	(37)
Proceeds from the exercise of stock options	—	1	1
Net cash provided by financing activities	46	201	247
Net increase (decrease) in cash and cash equivalents	78	(27)	51
Effect of exchange rate changes on cash balances held in foreign currencies	1	1	2
Cash and cash equivalents — beginning of period	102	128	128
Cash and cash equivalents — end of period	$ 181	$ 102	$ 181

Operating Activities

Free cash flow (which is a non-GAAP measure) consists of (a) Net cash provided by (used in) operating activities; (b) less dividends and capital expenditures; (c) plus net proceeds from settlement of derivative instruments (which is net of premiums paid to purchase derivative instruments). Dividends include those paid by our less than wholly-owned subsidiaries to their minority shareholders and dividends paid by us to our common shareholder(s). Management believes that Free cash flow is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, Free cash flow does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free cash flow. We believe the line on our condensed consolidated statements of cash flows entitled "Net cash provided by (used in) operating activities" is the most directly comparable measure to Free cash flow. Our method of calculating Free cash flow may not be consistent with that of other companies.

In our discussion of Metal Price Ceilings, we have disclosed that certain of our sales contracts contain a fixed aluminum (metal) price ceiling beyond which the cost of aluminum cannot be passed through to the customer, unless adjusted. During the six months ended September 30, 2007 and the comparable prior year period, we were unable to pass through approximately $140 million and $255 million, respectively, of metal purchase costs associated with sales under these contracts. Net cash provided by operating activities is negatively impacted by the same amounts, adjusted for any timing difference between customer receipts and vendor payments and offset partially by reduced income taxes. Based on a September 30, 2007 aluminum price of $2,440 per tonne, and our estimate of a range of shipment volumes, we estimate that we will be unable to pass through aluminum purchase costs of approximately $90 — $95 million for the remainder of fiscal 2008 and $285 — $300 million in the aggregate thereafter.

As a result of our acquisition by Hindalco, we established reserves totaling $655 million as of May 15, 2007 representing the fair value of these contracts, and these reserves are being accreted into Net sales over the remaining lives of the contracts in a manner consistent with the forecast used to determine the fair value of the reserves. This accretion does not impact cash flow.

The following tables show the reconciliation from Net cash used in operating activities to Free cash flow, the ending balances of cash and cash equivalents and the change between periods.

	Six Months Ended September 30,		
	2007	2006	Change
	Combined	*Predecessor*	
	($ in millions)		
Net cash used in operating activities	$ (221)	$ (89)	$ (132)
Dividends	(8)	(8)	—
Capital expenditures	(74)	(56)	(18)
Net proceeds from settlement of derivative instruments	84	154	(70)
Free cash flow	$ (219)	$ 1	$ (220)

	As of		
	September 30, 2007	March 31, 2007	Change
	Successor	*Predecessor*	
Ending balances of cash and cash equivalents	$ 181	$ 128	$ 53

In the six months ended September 30, 2007, net cash used in operating activities was influenced primarily by metal purchase costs we were unable to pass through to customers due to the price ceilings previously discussed. Other items that negatively impacted operating cash flow for the six months ended September 30, 2007 include $72 million paid in share-based compensation payments, $42 million paid for sale transaction fees and bonus payments totaling $25 million for the calendar year ended December 31, 2006 and the period from January 1, 2007 through May 15, 2007, triggered by the Arrangement.

Financing Activities

Overview

During the six months ended September 30, 2007, our total debt (including short-term borrowings) increased by $205 million (excluding net unamortized fair value adjustments of $66 million recorded as part of the Arrangement), principally as a result of our need to fund additional working capital requirements and certain costs associated with the Arrangement, including sale transaction fees and share-based compensation payments. During the first quarter of fiscal 2008, we also received $92 million in cash from the sale of additional common stock to Hindalco.

New Senior Secured Credit Facilities

On May 25, 2007, we entered into a Bank and Bridge Facilities Commitment with affiliates of UBS and ABN AMRO, to provide backstop assurance for the refinancing of our existing indebtedness following the Arrangement. The commitments from UBS and ABN AMRO, provided by the banks on a 50%-50% basis, consisted of a senior secured term loan of up to $1.06 billion; a senior secured asset-based revolving credit facility of up to $900 million and a commitment to issue up to $1.2 billion of unsecured senior notes, if necessary. The commitment contained terms and conditions customary for facilities of this nature.

In connection with these backstop commitments, we paid fees totaling $14 million, which were included in *Other long-term assets — third parties* as of June 30, 2007. Of this amount, $6 million was related to the unsecured senior notes, which were not refinanced, and was written off during the quarter ended September 30, 2007. The remaining $8 million in fees paid have been credited by the lenders towards fees associated with the new senior secured credit facilities (described below) and will be amortized over the lives of the related borrowings.

On July 6, 2007, we entered into new senior secured credit facilities with a syndicate of lenders led by affiliates of UBS and ABN AMRO (New Credit Facilities) providing for aggregate borrowings of up to $1.76 billion. The New Credit Facilities consist of (1) a $960 million seven-year Term Loan facility (Term Loan facility) and (2) an $800 million five year multi-currency asset-based revolving credit line and letter of credit facility (ABL facility).

Under the Term Loan facility, loans characterized as alternate base rate (ABR) borrowings bear interest annually at a rate equal to the alternate base rate (which is the greater of (a) the base rate in effect on a given day and (b) the federal funds effective rate in effect on a given day, plus 0.50%) plus the applicable margin, and loans characterized as Eurocurrency borrowings bear interest at an annual rate equal to the adjusted LIBOR rate for the interest period in effect, plus the applicable margin.

Under the ABL facility, interest charged is dependent on the type of loan: (1) any swingline loan or any loan categorized as an ABR borrowing will bear interest at an annual rate equal to the alternate base rate (which is the greater of (a) the base rate in effect on a given day and (b) the federal funds effective rate in effect on a given day, plus 0.50%), plus the applicable margin; (2) Eurocurrency loans will bear interest at an annual rate equal to the adjusted LIBOR rate for the applicable interest period, plus the applicable margin; (3) loans designated as Canadian base rate borrowings will bear an annual interest rate equal to the Canadian base rate (CAPRIME), plus the applicable margin; (4) loans designated as bankers acceptances (BA) rate loans will bear interest at the average discount rate offered for bankers' acceptances for the applicable BA interest period, plus the applicable margin and (5) loans designated as Euro Interbank Offered Rate (EURIBOR) loans will bear interest annually at a rate equal to the adjusted EURIBOR rate for the applicable interest period, plus the applicable margin. Applicable margins under the ABL facility depend upon excess availability levels calculated on a quarterly basis.

Generally, for both the Term Loan facility and ABL facility, interest rates reset every three months and interest is payable on a monthly, quarterly or other periodic basis depending on the type of loan.

The proceeds from the Term Loan facility of $960 million, drawn in full at the time of closing, and the initial draw of $324 million under the ABL facility were used to pay off the existing senior secured credit facility (discussed below), pay for debt issuance costs of the New Credit Facilities and provide for additional working capital. Mandatory minimum principal amortization payments under the Term Loan facility are $2.4 million per calendar quarter. The first mandatory minimum principal amortization payment was made on September 28, 2007. Additional mandatory prepayments are required to be made in the event of certain collateral liquidations, asset sales, debt and preferred stock issuances, equity issuances, casualty events and excess cash flow (as defined in the New Credit Facilities). Any unpaid principal remaining is due in full on July 6, 2014.

Borrowing limits under the ABL facility are generally based on 85% of eligible accounts receivable and 75% to 85% of eligible inventories. Commitment fees of 0.25% to 0.375% are based on average daily amounts outstanding under the ABL facility during a fiscal quarter, and are payable quarterly.

The New Credit Facilities include customary affirmative and negative covenants. Under the ABL facility, if our excess availability, as defined under the borrowing, is less than 10% of the borrowing base, we are required to maintain a minimum fixed charge coverage ratio of 1 to 1. Substantially all of our assets are pledged as collateral under the New Credit Facilities.

We incurred debt issuance costs on our New Credit Facilities totaling $30 million, including the $8 million in fees previously paid in conjunction with the backstop commitment. These fees are included in *Other long-term assets — third parties* and are being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs — net* using the "effective interest amortization" method for the Term Loan facility and the straight-line method for the ABL facility. The unamortized amount of these costs was $28 million as of September 30, 2007.

Old Senior Secured Credit Facilities

In connection with our spin-off from Alcan, we entered into senior secured credit facilities (Old Credit Facilities) providing for aggregate borrowings of up to $1.8 billion. The Old Credit Facilities consisted of (1) a $1.3 billion seven-year senior secured Term Loan B facility, bearing interest at London Interbank Offered Rate (LIBOR) plus 1.75% (which was subject to change based on certain leverage ratios), all of which was borrowed on January 10, 2005, and (2) a $500 million five-year multi-currency revolving credit and letters of credit facility.

The Old Credit Facilities included customary affirmative and negative covenants, as well as financial covenants relating to our maximum total leverage, minimum interest coverage, and minimum fixed charge coverage ratios. Substantially all of our assets were pledged as collateral under the Old Credit Facilities.

The terms of our Old Credit Facilities required that we deliver unaudited quarterly and audited annual financial statements to our lenders within specified periods of time. Due to delays in certain of our SEC filings for 2005 and 2006, we obtained a series of five waiver and consent agreements from the lenders under the facility to extend the various filing deadlines. Fees paid related to the five waiver and consent agreements totaled $6 million.

On October 16, 2006, we amended the financial covenants to our Old Credit Facilities. In particular, we amended our maximum total leverage, minimum interest coverage, and minimum fixed charge coverage ratios through the quarter ending March 31, 2008.

We also amended and modified other provisions of the Old Credit Facilities to permit more efficient ordinary-course operations, including increasing the amounts of certain permitted investments and receivables securitizations, permitting nominal quarterly dividends, and the transfer of an intercompany loan to another subsidiary. In return for these amendments and modifications, we paid aggregate fees of approximately $3 million to lenders who consented to the amendments and modifications, and agreed to continue paying higher applicable margins on our Old Credit Facilities and higher unused commitment fees on our revolving credit facilities that were instated with a prior waiver and consent agreement in May 2006. Commitment fees related to the unused portion of the $500 million revolving credit facility were 0.625% per annum.

On April 27, 2007, our lenders consented to a further amendment of our Old Credit Facilities. The amendment included permission to increase the Term Loan B facility by $150 million. We utilized the additional funds available under the Term Loan B facility to reduce the outstanding balance of our $500 million revolving credit facility. The additional borrowing capacity under the revolving credit facility was used to fund working capital requirements and certain costs associated with the Arrangement, including the cash settlement of share-based compensation arrangements and lender fees. Additionally, the amendment included a limited waiver of the change of control Event of Default (as defined in the senior secured credit facilities) which effectively extended the requirement to repay the Old Credit Facilities to July 11, 2007. We paid fees of approximately $2 million to lenders who consented to this amendment.

Total debt issuance costs of $43 million, including amendment fees and the waiver and consent agreements discussed above, had been recorded in *Other long-term assets — third parties* and were being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs*

— *net* using the “effective interest amortization” method for the Term Loans and the straight-line method for the revolving credit and letters of credit facility. The unamortized amount of these costs was $26 million as of March 31, 2007. We incurred an additional $2 million in debt issuance costs as described above during the period from April 1, 2007 through May 15, 2007. As a result of the Arrangement and the recording of debt at fair value, the total amount of unamortized debt issuance costs of $28 million was reduced to zero as of May 15, 2007.

7.25% Senior Notes

On February 3, 2005, we issued $1.4 billion aggregate principal amount of senior unsecured debt securities (Senior Notes). The Senior Notes were priced at par, bear interest at 7.25% and mature on February 15, 2015. Debt issuance costs totaling $28 million had been included in *Other long-term assets — third parties* and were being amortized over the life of the related borrowing in *Interest expense and amortization of debt issuance costs — net* using the “effective interest amortization” method. The unamortized amount of these costs was $24 million as of March 31, 2007. As a result of the Arrangement and the recording of debt at fair value, the total amount of unamortized debt issuance costs of $23 million was reduced to zero as of May 15, 2007.

As a result of the Arrangement, the Senior Notes were recorded at their fair value of $1.474 billion based on their market price of 105.25% of $1,000 face value per bond as of May 14, 2007. The incremental fair value of $74 million is being amortized to interest income over the remaining life of the Senior Notes in *Interest expense and amortization of debt issuance costs — net* using the “effective interest amortization” method. Due to the change in the market price of our Senior Notes from 105.25% as of May 14, 2007 to 97.75% as of September 30, 2007, the estimated fair value of this debt has decreased $106 million to $1.368 billion (after considering the repurchase of approximately $1 million of the Senior Notes pursuant to the tender offer discussed below).

Under the indenture that governs the Senior Notes, we are subject to certain restrictive covenants applicable to incurring additional debt and providing additional guarantees, paying dividends beyond certain amounts and making other restricted payments, sales and transfers of assets, certain consolidations or mergers, and certain transactions with affiliates. We were in compliance with these covenants for the quarter ended September 30, 2007.

The indenture governing the Senior Notes and the related registration rights agreement required us to file a registration statement for the notes and exchange the original, privately placed notes for registered notes. Under the indenture and the related registration rights agreement, we were required to complete the exchange offer for the Senior Notes by November 11, 2005. We did not complete the exchange offer by that date and, as a result, we began to incur additional special interest at rates ranging from 0.25% to 1.00%. We filed a post-effective amendment to the registration statement on December 1, 2006 which was declared effective by the SEC on December 22, 2006. We ceased paying additional special interest effective January 5, 2007, upon completion of the exchange offer.

Tender Offer and Consent Solicitation for 7.25% Senior Notes

Pursuant to the terms of the indenture governing our Senior Notes, we were obligated, within 30 days of closing of the Arrangement, to make an offer to purchase the Senior Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date the Senior Notes were purchased. Consequently, we commenced a tender offer on May 16, 2007, to repurchase all of the outstanding Senior Notes at the prescribed price. This offer expired on July 3, 2007 with holders of approximately $1 million of principal presenting their Senior Notes pursuant to the tender offer.

Korean Bank Loans

In November 2004, Novelis Korea Limited (Novelis Korea), formerly Alcan Taihan Aluminium Limited, entered into a Korean won (KRW) 40 billion ($40 million) floating rate long-term loan due November 2007. We immediately entered into an interest rate swap to fix the interest rate at 4.80%. In August 2007, we

refinanced this loan with a floating rate short-term borrowing in the amount of $40 million due by August 2008. We recognized a loss on extinguishment of debt of less than $1 million in connection with this refinancing. Additionally, we immediately entered into an interest rate swap and cross currency swap for the loan through a 3.94% fixed rate KRW 38 billion loan.

In December 2004, we entered into (1) a $70 million floating rate loan and (2) a KRW 25 billion ($25 million) floating rate loan, both due in December 2007. We immediately entered into an interest rate and cross currency swap on the $70 million floating rate loan through a 4.55% fixed rate KRW 73 billion loan and an interest rate swap on the KRW 25 billion floating rate loan to fix the interest rate at 4.45%. On October 25, 2007, we entered into a $100 million floating rate loan due October 2010 and immediately repaid the $70 million loan. We intend to repay the KRW 25 billion loan by its scheduled maturity date in December 2007 from the proceeds of this new borrowing. Consequently, both of the Korean bank loans originally due December 2007 have been classified as long-term in our September 30, 2007 condensed consolidated balance sheet. Additionally, we immediately entered into an interest rate swap and cross currency swap for the $100 million floating rate loan through a 5.44% fixed rate KRW 92 billion loan.

During the periods from May 16, 2007 through September 30, 2007 and from April 1, 2007 through May 15, 2007, interest rates on other Korean bank loans for $1 million (KRW 1 billion) ranged from 3.50% to 5.50%.

Short Term Borrowings and Lines of Credit

As of September 30, 2007, our short-term borrowings were $243 million consisting of (1) $180 million of short-term loans under our ABL facility, (2) a $40 million short-term loan in Korea and (3) $23 million in bank overdrafts. As of September 30, 2007, $26 million of our ABL facility was utilized for letters of credit and we had approximately $580 million in remaining availability under this revolving credit facility.

As of September 30, 2007, we had an additional $74 million outstanding under letters of credit in Korea not included in our ABL facility. The weighted average interest rate on our total short-term borrowings was 6.38% and 7.77% as of September 30, 2007 and March 31, 2007, respectively.

Issuance of Additional Common Stock

On June 22, 2007, we issued 2,044,122 additional shares to AV Aluminum for $44.93 per share resulting in an additional equity contribution of $92 million. This contribution was equal in amount to certain payments made by Novelis related to change in control compensation to certain employees and directors, lender fees and other transaction costs incurred by the Company.

Investing Activities

The following table presents information regarding our Net cash provided by investing activities ($ in millions).

	Six Months Ended September 30,		
	2007 *Combined*	2006 *Predecessor*	Change
Net proceeds from settlement of derivative instruments	$ 84	$ 154	$ (70)
Capital expenditures	(74)	(56)	(18)
Cash advance received on pending transfer of rights	—	15	(15)
Proceeds from loans receivable — net	10	20	(10)
Changes to investment in and advances to non-consolidated affiliates	4	2	2
Proceeds from sales of assets	1	1	—
Net cash provided by investing activities	$ 25	$ 136	$ (111)

Net proceeds from the settlement of derivative instruments explain the majority of the difference in the current to prior year to date net cash provided by investing activities.

The majority of our capital expenditures for the six months ended September 30, 2007 and 2006 were for projects devoted to product quality, technology, productivity enhancement and increased capacity.

We estimate that our annual capital expenditure requirements for items necessary to maintain comparable production, quality and market position levels (maintenance capital) will be approximately $120 million, and that total annual capital expenditures will be approximately $200 million for all of fiscal 2008.

OFF-BALANCE SHEET ARRANGEMENTS

In accordance with SEC rules, the following qualify as off-balance sheet arrangements:

- any obligation under certain guarantees or contracts;
- a retained or contingent interest in assets transferred to an unconsolidated entity or similar entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for such assets;
- any obligation under certain derivative instruments; and
- any obligation under a material variable interest held by the registrant in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the registrant, or engages in leasing, hedging or research and development services with the registrant.

The following discussion addresses each of the above items for our company.

Derivative Instruments

As of September 30, 2007, we have derivative financial instruments, as defined by FASB Statement No. 133. See Note 14 — Financial Instruments and Commodity Contracts to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

In conducting our business, we use various derivative and non-derivative instruments, including forward contracts, to manage the risks arising from fluctuations in exchange rates, interest rates, aluminum prices and energy prices. Such instruments are used for risk management purposes only. We may be exposed to losses in the future if the counterparties to the contracts fail to perform. We are satisfied that the risk of such non-performance is remote, due to our monitoring of credit exposures. Alcan is the principal counterparty to our aluminum forward contracts.

Certain contracts are designated as hedges of either net investment or cash flows. For these contracts we recognize the change in fair value of the ineffective portion of the hedge as a gain or loss in our current period results of operations. We include the change in fair value of the effective and interest portions of these hedges in Accumulated other comprehensive income within Shareholder’s equity in the accompanying condensed consolidated balance sheet.

Prior to Completion of the Arrangement

Prior to and during the period from April 1, 2007 through May 15, 2007, we applied hedge accounting to certain of our cross-currency swaps with respect to intercompany loans to several European subsidiaries and forward exchange contracts. Our Euro and British pound (GBP) cross-currency swaps were designated as net investment hedges, while our Swiss franc (CHF) cross-currency swaps and our Brazilian real (BRL) forward foreign exchange contracts were designated as cash flow hedges. As of May 15, 2007, we had $712 million of cross-currency swaps (Euro 475 million, GBP 62 million and CHF 35 million) and $99 million of forward foreign exchange contracts (BRL 229 million). During the period from April 1, 2007 through May 15, 2007, we implemented cash flow hedge accounting for an electricity swap, which was embedded in a supply contract.

During the period from April 1, 2007 through May 15, 2007, the change in fair value of the effective and interest portions of our net investment hedges was a loss of $8 million and the change in fair value of the effective portion of our cash flow hedges was a gain of $7 million.

Impact of the Arrangement and Purchase Accounting

Concurrent with completion of the Arrangement on May 15, 2007, we dedesignated all hedging relationships. The cumulative change in fair value of effective and interest portions of these hedges, previously presented in Accumulated other comprehensive income within Shareholder's equity on May 15, 2007, was incorporated in the new basis of accounting. As a result of purchase accounting, the fair value of all embedded derivative instruments was allocated to the fair value of their respective host contracts, reducing the fair value of embedded derivative instruments to zero.

Subsequent to Completion of the Arrangement

We redesignated our electricity swap, noted below, as a cash flow hedge on June 1, 2007. We redesignated our Euro, GBP and CHF cross-currency swaps, noted above, as net investment hedges on September 1, 2007. We have not applied hedge accounting to any other derivative instruments after May 15, 2007. Subsequent changes in fair value have been recognized in *(Gain) loss on change in fair value of derivative instruments — net* in our condensed consolidated statements of operations.

During the three months ended September 30, 2007 and for the period from May 16, 2007 through September 30, 2007, we recognized pre-tax gains of $2 million and $4 million, respectively, for the change in fair value of the effective portion of our remaining cash flow hedge. As of September 30, 2007, the amount of effective net gains to be realized during the next twelve months is not significant. The maximum period over which we have hedged our exposure to cash flow variability is through November 2016.

During the three months ended September 30, 2007 and for the period from May 16, 2007 through September 30, 2007, we recognized pre-tax losses of $28 million and $28 million, respectively, for the change in fair value of the effective portion of our net investment hedges. As of September 30, 2007, we expect to realize $4 million of effective net losses during the next twelve months. The maximum period over which we have hedged our net investment variability is through February 2015.

The fair values of our financial instruments and commodity contracts are as follows (in millions).

		As of September 30, 2007		
Successor:	Maturity Dates (Fiscal Year)	Assets	Liabilities	Net Fair Value
Foreign exchange forward contracts	2008 through 2012	$ 34	$ (44)	$ (10)
Cross-currency swaps	2008 through 2015	—	(141)	(141)
Aluminum forward contracts	2008 through 2010	13	(29)	(16)
Electricity swap	2017	4	(1)	3
Embedded derivative instruments	2008	7	—	7
Natural gas swaps	2008 through 2009	—	(1)	(1)
Total fair value		58	(216)	(158)
Less: current portion		51	(81)	(30)
Noncurrent portion		$ 7	$ (135)	$ (128)

Guarantees of Indebtedness

The following table discloses information about our obligations under guarantees of indebtedness as of September 30, 2007 (in millions).

Type of Entity	Maximum Potential Future Payment	Liability Carrying Value
Wholly-owned subsidiaries	$ 64	$ 55
Majority-owned subsidiaries	3	—
Aluminium Norf GmbH	14	—

In May 2007, we terminated a loan and a corresponding deposit-and-guarantee agreement for $80 million. We did not include the loan or deposit amounts in our condensed consolidated balance sheet as of March 31, 2007 as the agreement included a legal right of setoff and we had the intent and ability to setoff.

We have no retained or contingent interest in assets transferred to an unconsolidated entity or similar entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for such assets.

Other

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of September 30, 2007 and March 31, 2007, we are not involved in any unconsolidated SPE transactions.

CONTRACTUAL OBLIGATIONS

We have future obligations under various contracts relating to debt and interest payments, capital and operating leases, long-term purchase obligations, and postretirement benefit plans. During the six months ended September 30, 2007, there were no significant changes to these obligations as reported in our Annual Report on Form 10-K for the year ended December 31, 2006, other than those described below.

Our total debt increased by $205 million during the period from April 1, 2007 to September 30, 2007 (excluding net unamortized fair value adjustments of $66 million recorded as part of the acquisition by Hindalco), principally as a result of our need to fund additional working capital requirements and certain costs associated with the Arrangement, including Sale transaction fees and share-based compensation payments.

As a result of the amendment to our Old Credit Facilities in April 2007, we obtained a limited waiver of the change of control Event of Default (as defined in the senior secured credit facilities) which effectively extended the requirement to repay the Old Credit Facilities to July 11, 2007. As a result of the Arrangement, we paid off and terminated the Old Credit Facilities on July 6, 2007 through refinancing with the New Credit Facilities.

DIVIDENDS

No dividends have been declared on our common stock during fiscal 2008. Future dividends are at the discretion of the board of directors and will depend on, among other things, our financial resources, cash flows generated by our business, our cash requirements, restrictions under the instruments governing our indebtedness, being in compliance with the appropriate indentures and covenants under the instruments that govern our indebtedness that would allow us to legally pay dividends and other relevant factors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

During the six months ended September 30, 2007, there were no significant changes to our critical accounting policies and estimates as reported in our Annual Report on Form 10-K for the year ended December 31, 2006.

RECENT ACCOUNTING STANDARDS

In April 2007, the FASB issued Staff Position (FSP) No. FIN 39-1, *Amendment of FASB Interpretation No 39*, (FSP FIN 39-1). FSP FIN 39-1 amends FASB Statement No. 39, *Offsetting of Amounts Related to Certain Contracts*, by permitting entities that enter into master netting arrangements as part of their derivative transactions to offset in their financial statements net derivative positions against the fair value of amounts (or amounts that approximate fair value) recognized for the right to reclaim cash collateral or the obligation to return cash collateral under those arrangements. FSP FIN 39-1 is effective for fiscal years beginning after November 15, 2007. We have not yet commenced evaluating the potential impact, if any, of the adoption of FSP FIN 39-1 on our consolidated financial position, results of operations and cash flows.

In February 2007, the FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, which provides companies with an option to report selected financial assets and liabilities at fair value. The new statement establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of a company's choice to use fair value on its earnings. The new statement also requires entities to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. FASB Statement No. 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in FASB Statements No. 157, *Fair Value Measurements*, and No. 107, *Disclosures about Fair Value of Financial Instruments*. FASB Statement No. 159 is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. We have not yet commenced evaluating the potential impact, if any, of the adoption of FASB Statement No. 159 on our consolidated financial position, results of operations and cash flows.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. FASB Statement No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact, if any, of the adoption of FASB Statement No. 157 on our consolidated financial position, results of operations and cash flows.

We have determined that all other recently issued accounting pronouncements will not have a material impact on our consolidated financial position, results of operations and cash flows, or do not apply to our operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

This document contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which we operate, and beliefs and assumptions made by our management. Such statements include, in particular, statements about our plans, strategies and prospects. Words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate" and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, our expectations with respect to the impact of metal price movements on our financial performance, our metal price ceiling exposure and the effectiveness of our hedging programs and controls. These statements are based on beliefs and assumptions of Novelis' management, which in turn are based on currently available information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that

are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

This document also contains information concerning our markets and products generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which these markets and product categories will develop. These assumptions have been derived from information currently available to us and to the third party industry analysts quoted herein. This information includes, but is not limited to, product shipments and share of production. Actual market results may differ from those predicted. While we do not know what impact any of these differences may have on our business, our results of operations, financial condition, cash flow and the market price of our securities may be materially adversely affected. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things:

- the level of our indebtedness and our ability to generate cash;
- changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use;
- the effect of metal price ceilings in certain of our sales contracts;
- the effectiveness of our metal hedging activities, including our internal used beverage can (UBC) and smelter hedges;
- relationships with, and financial and operating conditions of, our customers, suppliers and our ultimate parent, Hindalco;
- fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities;
- our ability to access financing for future capital requirements;
- continuing obligations and other relationships resulting from our spin-off from Alcan;
- changes in the relative values of various currencies;
- factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations, breakdown of equipment and other events;
- economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs;
- competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials;
- changes in general economic conditions;
- our ability to improve and maintain effective internal control over financial reporting and disclosure controls and procedures in the future;
- changes in the fair value of derivative instruments;
- cyclical demand and pricing within the principal markets for our products as well as seasonality in certain of our customers' industries;
- changes in government regulations, particularly those affecting taxes, environmental, health or safety compliance;
- changes in interest rates that have the effect of increasing the amounts we pay under our principal credit agreement and other financing agreements; and
- the effect of taxes and changes in tax rates.

The above list of factors is not exhaustive. Some of these and other factors are discussed in more detail under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2006, as amended, and filed with the SEC and are specifically incorporated by reference into this filing.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in commodity prices (aluminum, electricity and natural gas), foreign currency exchange rates and interest rates that could impact our results of operations and financial condition.

We manage our exposure to these and other market risks through regular operating and financing activities and derivative financial instruments. We use derivative financial instruments as risk management tools only, and not for speculative purposes. Except where noted, the derivative contracts are marked-to-market and the related gains and losses are included in earnings in the current accounting period.

By their nature, all derivative financial instruments involve risk, including the credit risk of non-performance by counterparties. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. Our maximum potential loss may exceed the amount recognized in our accompanying condensed consolidated balance sheet as of September 30, 2007.

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

Commodity Price Risks

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

Aluminum

Most of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of our products have a price structure with two components: (i) a pass through aluminum price based on the LME plus local market premiums and (ii) a "margin over metal" price based on the conversion cost to produce the rolled product and the competitive market conditions for that product.

In situations where we offer customers fixed prices for future delivery of our products, we may enter into derivative instruments for the metal inputs in order to protect the profit on the conversion of the product. Consequently, the gain or loss resulting from movements in the price of aluminum on these contracts would generally be offset by an equal and opposite impact on the net sales and purchases being hedged.

In addition, sales contracts representing approximately 10% of our total shipments for the six months ended September 30, 2007 provide for a ceiling over which metal purchase costs cannot contractually be passed through to certain customers, unless adjusted. As a result, we are unable to pass through the complete metal purchase costs for sales under these contracts and this negatively impacts our margins when the metal price is above the ceiling price. These contracts expire at varying times and our estimated remaining exposure approximates 10% of estimated shipments in the remainder of fiscal 2008.

However, as previously discussed, in connection with the allocation of purchase price arising from the Arrangement, we established reserves totaling $655 million as of May 15, 2007 to record these sales contracts at fair value. Fair value effectively represents the discounted cash flows of the forecasted metal purchase costs in excess of the metal price ceilings contained in these contracts. These reserves are being accreted into Net sales over the remaining lives of the underlying contracts, and this accretion will not impact future cash flows. During the period from May 16, 2007 through September 30, 2007, we recorded accretion of $129 million.

We employ three strategies to mitigate our risk of rising metal prices that we cannot pass through to certain customers due to metal price ceilings. First, we maximize the amount of our internally supplied metal inputs from our smelting, refining and mining operations in Brazil. Second, we rely on the output from our recycling operations which utilize used beverage cans (UBCs). Both of these sources of aluminum supply have historically provided a benefit as these sources of metal are typically less expensive than purchasing aluminum from third party suppliers. We refer to these two sources as our internal hedges.

Beyond our internal hedges described above, our third strategy to mitigate the risk of loss or reduced profitability associated with the metal price ceilings is to purchase futures, call options and/or synthetic call options on projected aluminum volume requirements above our assumed internal hedge position. To hedge our exposure in 2006, we previously purchased call options at various strike prices. In September of 2006, we began purchasing both fixed forward derivative instruments and put options, thereby creating synthetic call options, to hedge our exposure to further metal price increases.

During the quarter ended September 30, 2006, we began selling short-term LME futures contracts to reduce the cash flow volatility of fluctuating metal prices associated with metal price lag.

In Europe, we enter into forward metal purchases simultaneous with the contracts that contain fixed metal prices. These forward metal purchases directly hedge the economic risk of future metal price fluctuation associated with these contracts. The positive or negative impact on sales under these contracts has been included in the metal price lag effect described above, without regard to the fixed forward instruments purchased to offset this risk.

Sensitivities

The following table presents the estimated potential pre-tax gain (loss) in the fair values of these derivative instruments as of September 30, 2007, assuming a 10% decline in the three-month LME price.

	Decline in Rate/Price	Pre-Tax Loss in Fair Value
		($ In millions)
Aluminum Forward Contracts	10%	$ (56)
Aluminum Put Options	10%	—

Electricity and Natural Gas

We use several sources of energy in the manufacture and delivery of our aluminum rolled products. In the six months ended September 30, 2007, natural gas and electricity represented approximately 70% of our energy consumption by cost. We also use fuel oil and transport fuel. The majority of energy usage occurs at our casting centers, at our smelters in South America and during the hot rolling of aluminum. Our cold rolling facilities require relatively less energy. We purchase our natural gas on the open market, which subjects us to market pricing fluctuations. Recent natural gas pricing changes in the United States have increased our energy costs. We seek to stabilize our future exposure to natural gas prices through the use of forward purchase contracts. Natural gas prices in Europe, Asia and South America have historically been more stable than in the United States. As of September 30, 2007, we have a nominal amount of forward purchases outstanding related to natural gas.

A portion of our electricity requirements are purchased pursuant to long-term contracts in the local regions in which we operate. A number of our facilities are located in regions with regulated prices, which affords relatively stable costs. In South America, we own and operate hydroelectric facilities that meet approximately 25% of our total electricity requirements in that region. Additionally, we have entered into an electricity swap in North America to fix a portion of the cost of our electricity requirements.

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

Sensitivities

The following table presents the estimated potential pre-tax loss in the fair values of these derivative instruments as of September 30, 2007, assuming a 10% decline in spot prices for energy contracts.

	Decline in Rate/Price	Pre-Tax Loss in Fair Value
		($ In millions)
Electricity	10%	$ (15)
Natural Gas	10%	—

Foreign Currency Exchange Risks

Exchange rate movements, particularly the euro, the Canadian dollar, the Brazilian real and the Korean won against the U.S. dollar, have an impact on our operating results. In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the euro strengthens, but are adversely affected as the euro weakens. In Korea, where we have local currency selling prices for local sales and U.S. dollar denominated selling prices for exports, we benefit slightly as the won weakens, but are adversely affected as the won strengthens, due to a slightly higher percentage of exports compared to local sales. In Canada and Brazil, where we have predominately U.S. dollar selling prices and local currency operating costs, we benefit as the local currencies weaken, but are adversely affected as the local currencies strengthen. Foreign currency contracts may be used to hedge the economic exposures at our foreign operations.

It is our policy to minimize functional currency exposures within each of our key regional operating segments. As such, the majority of our foreign currency exposures are from either forecasted net sales or forecasted purchase commitments in non-functional currencies. Our most significant non-U.S. dollar functional currency operating segments are Europe and Asia, which have the euro and the Korean won as their functional currencies, respectively. South America is U.S. dollar functional with Brazilian real transactional exposure.

We face translation risks related to the changes in foreign currency exchange rates. Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of Accumulated other comprehensive income in the Shareholder's equity section of the accompanying condensed consolidated balance sheets. Net sales and expenses in our foreign operations' foreign currencies are translated into varying amounts of U.S. dollars depending upon whether the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may either positively or negatively affect our net sales and expenses from foreign operations as expressed in U.S. dollars.

Any negative impact of currency movements on the currency contracts that we have entered into to hedge foreign currency commitments to purchase or sell goods and services would be offset by an equal and opposite favorable exchange impact on the commitments being hedged. For a discussion of accounting policies and other information relating to currency contracts, see Note 1 — Business and Summary of Significant Accounting Policies and Note 17 — Financial Instruments and Commodity Contracts to our consolidated and combined financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006.

Sensitivities

The following table presents the estimated potential pre-tax loss in the fair values of these derivative instruments as of September 30, 2007, assuming a 10% increase (decrease) in the foreign currency/U.S. dollar exchange rate.

	Increase (Decrease) ian Exchange Rate	Pre-Tax Loss in Fair Value ($ In millions)
Currency measured against the U.S. dollar		
Euro	(10)%	$ (26)
Korean won	(10)%	(19)
Brazilian real	10%	(22)
Canadian dollar	10%	(3)
British pound	(10)%	(1)
Swiss franc	(10)%	(28)

Loans to and investments in European operations have been hedged by cross-currency swaps (euro 475 million, GBP 62 million, CHF 35 million). Loans from European operations have been hedged by cross-currency principal only swaps (euro 111 million). Principal only swaps totaling euro 91 million were accounted for as cash flow hedges through May 15, 2007. Concurrent with the completion of the Arrangement on May 15, 2007, we dedesignated these hedging relationships. On September 1, 2007, we redesignated our cross-currency swaps as net investment hedges. While this has no impact on our cash flows, subsequent changes in the value of currency related derivative instruments that are not designated as hedges are recognized in Gain (loss) on change in fair value of derivative instruments — net in our condensed consolidated statement of operations.

The following table presents the estimated potential pre-tax loss in the fair values of these derivative instruments as of September 30, 2007, assuming a 10% increase in rates.

	Increase in Rate	Pre-Tax Loss in Fair Value ($ In millions)
Currency measured against the U.S. dollar		
Euro	10%	$ (80)
British pound	10%	(15)
Swiss franc	10%	(4)

Interest Rate Risks

We are subject to interest rate risk related to our floating rate debt. For every 12.5 basis point increase in the interest rates on our outstanding variable rate debt as of September 30, 2007, which includes $958 million of Term Loan debt and other variable rate debt of $203 million, our annual pre-tax income would be reduced by approximately $1 million.

As of September 30, 2007, approximately 58% of our debt obligations were at fixed rates. Due to the nature of fixed-rate debt, there would be no significant impact on our interest expense or cash flows from either a 10% increase or decrease in market rates of interest.

From time to time, we have used interest rate swaps to manage our debt cost. In Korea, we entered into interest rate swaps to fix the interest rate on various floating rate debt. See Note 9 — Debt to our accompanying condensed consolidated financial statements for further information.

Sensitivities

The following table presents the estimated potential pre-tax loss in the fair values of these derivative instruments as of September 30, 2007, assuming a 10% decrease in rates.

	Decrease in Rate	Pre-Tax Loss in Fair Value
		($ In millions)
Interest Rate Swap Contracts		
Asia	(10)%	—

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that the information required to be disclosed in reports filed or submitted under the United States Securities Exchange Act of 1934, as amended (Exchange Act), is (1) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and (2) accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q for the period ended September 30, 2007, members of management, at the direction (and with the participation) of our Principal Executive Officer and Principal Financial Officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act), as of September 30, 2007. Based on that evaluation, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of September 30, 2007, as a result of the continued existence of a material weakness in our accounting for income taxes, as described in our Annual Report on Form 10-K for the year ended December 31, 2006. Notwithstanding this material weakness, management has concluded that the condensed consolidated financial statements included in this report present fairly, in all material respects, our financial position and results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America

Changes in Internal Control Over Financial Reporting

On October 22, 2007, Novelis Inc. announced that Robert M. Patterson was appointed Vice President Treasury and Planning and Jeffrey Schwaneke was appointed Vice President and Controller (Principal Accounting Officer). Mr. Patterson was formerly Vice President and Controller (Principal Accounting Officer) and replaces Orville Lunking as Treasurer who is leaving Novelis to pursue other opportunities. There have been no other changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

On October 1, 2007, the Company hired Michael Pashos as Vice President of Global Tax. With his guidance, the Company will continue to evaluate the current mix of internal and external staffing in the area of income taxes and may make further changes as necessary to most effectively and accurately handle the Company's accounting for income taxes.

Remediation Plan for Material Weakness Existing as of September 30, 2007

We outlined our plan to remediate the material weakness in accounting for income taxes in Item 9A. Controls and Procedures of our Annual Report on Form 10-K for the year ended December 31, 2006, which was filed on March 1, 2007 (and amended on April 30, 2007), and there have been no additional remedial measures implemented since. While we believe that the measures enumerated in our Annual Report will ultimately allow us to remediate this material weakness, we concluded as of September 30, 2007, that there continues to be more than a remote likelihood that a material misstatement of our annual or interim financial statements related to accounting for income taxes will not be prevented or detected. Management believes it is prudent to observe and test these controls over a longer period of time prior to concluding that this weakness has been remediated. We are further considering our current mix of internal and external staffing in the area of income taxes and may make further changes as necessary to remediate this material weakness as quickly as possible. In addition, we will continue to provide training to our tax personnel and specifically focus on areas where adjustments and errors have been previously identified.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

Reynolds Boat Case. As previously disclosed, we and Alcan were defendants in a case in the United States District Court for the Western District of Washington, in Tacoma, Washington, case number C04-0175RJB. Plaintiffs were Reynolds Metals Company, Alcoa, Inc. and National Union Fire Insurance Company of Pittsburgh PA. The case was tried before a jury beginning on May 1, 2006 under implied warranty theories, based on allegations that from 1998 to 2001 we and Alcan sold certain aluminum products that were ultimately used for marine applications and were unsuitable for such applications. The jury reached a verdict on May 22, 2006 against us and Alcan for approximately $60 million, and the court later awarded Reynolds and Alcoa approximately $16 million in prejudgment interest and court costs.

The case was settled during July 2006 as among us, Alcan, Reynolds, Alcoa and their insurers for $71 million. We contributed approximately $1 million toward the settlement, and the remaining $70 million was funded by our insurers. Although the settlement was substantially funded by our insurance carriers, certain of them have reserved the right to request a refund from us, after reviewing details of the plaintiffs' damages to determine if they include costs of a nature not covered under the insurance contracts. Of the $70 million funded, $39 million is in dispute with and under further review by certain of our insurance carriers. In the quarter ended September 30, 2006, we posted a letter of credit in the amount of approximately $10 million in favor of one of those insurance carriers, while we resolve the extent of coverage of the costs included in the settlement. On October 8, 2007, we received a letter from these insurers stating that they have completed their review and requesting a refund of the $39 million plus interest. We are reviewing the insurers' position and expect to respond to their letter within 45 days.

Since our fiscal 2005 Annual Report on Form 10-K was not filed until August 25, 2006, we recognized a liability for the full settlement amount of $71 million on December 31, 2005, included in Accrued expenses and other current liabilities on our consolidated balance sheet, with a corresponding charge against earnings. We also recognized an insurance receivable included in Prepaid expenses and other current assets on our consolidated balance sheet of $31 million, with a corresponding increase to earnings. Although $70 million of the settlement was funded by our insurers, we only recognized an insurance receivable to the extent that coverage was not in dispute. This resulted in a net charge of $40 million during the quarter ended December 31, 2005.

In July 2006, we contributed and paid $1 million to our insurers who subsequently paid the entire settlement amount of $71 million to the plaintiffs. Accordingly, during the quarter ended September 30, 2006 we reversed the previously recorded insurance receivable of $31 million and reduced our recorded liability by the same amount plus the $1 million contributed by us. The remaining liability of $39 million represents the amount of the settlement claim that was funded by our insurers but is still in dispute with and under further review by the parties as described above. The $39 million liability is included in Accrued expenses and other current liabilities in our condensed consolidated balance sheets as of September 30, 2007 and March 31, 2007.

While the ultimate resolution of the nature and extent of any costs not covered under our insurance contracts cannot be determined with certainty or reasonably estimated at this time, if there is an adverse outcome with respect to insurance coverage, and we are required to reimburse our insurers, it could have a material impact on our cash flows in the period of resolution. Alternatively, the ultimate resolution could be favorable, such that insurance coverage is in excess of the net expense that we have recognized to date. This would result in our recording a non-cash gain in the period of resolution, and this non-cash gain could have a material impact on our results of operations during the period in which such a determination is made.

Coca-Cola Lawsuits. A lawsuit was commenced against Novelis Corporation on February 15, 2007 by Coca-Cola Bottler's Sales and Services Company LLC (CCBSS) in state court in Georgia. In addition, a lawsuit was commenced against Novelis Corporation and Alcan Corporation on April 3, 2007 by Coca-Cola Enterprises Inc., Enterprises Acquisition Company, Inc., The Coca-Cola Company and The Coca-Cola Trading Company, Inc. (collectively CCE) in federal court in Georgia. Novelis intends to defend these claims vigorously.

CCBSS is a consortium of Coca-Cola bottlers across the United States, including Coca-Cola Enterprises Inc. CCBSS alleges that Novelis Corporation breached an aluminum can stock supply agreement between the parties, and seeks monetary damages in an amount to be determined at trial and a declaration of its rights under the agreement. The agreement includes a "most favored nations" provision regarding certain pricing matters. CCBSS alleges that Novelis Corporation breached the terms of the most favored nations provision. The dispute will likely turn on the facts that are presented to the court by the parties and the court's finding as to how certain provisions of the agreement ought to be interpreted. If CCBSS were to prevail in this litigation, the amount of damages would likely be material. Novelis Corporation has filed its answer and the parties are proceeding with discovery.

The claim by CCE seeks monetary damages in an amount to be determined at trial for breach of a prior aluminum can stock supply agreement between CCE and Novelis Corporation, successor to the rights and obligations of Alcan Aluminum Corporation under the agreement. According to its terms, that agreement with CCE terminated in 2006. The CCE supply agreement included a "most favored nations" provision regarding certain pricing matters. CCE alleges that Novelis Corporation's entry into a supply agreement with Anheuser-Busch, Inc. breached the "most favored nation" provision of the CCE supply agreement. If CCE were to prevail in this litigation, the amount of damages would likely be material. The dispute will likely turn on the facts that are presented to the court by the parties and the court's finding as to how certain provisions of the supply agreement ought to be interpreted. Novelis Corporation has moved to dismiss the complaint and has not yet filed its answer. We have not recorded any reserves for these matters.

Anheuser-Busch Litigation. On September 19, 2006, Novelis Corporation filed a lawsuit against Anheuser-Busch, Inc. in federal court in Ohio. Anheuser-Busch, Inc. subsequently filed suit against Novelis Corporation and the Company in federal court in Missouri. On January 3, 2007, Anheuser-Busch, Inc.'s suit was transferred to the Ohio federal court.

Novelis Corporation alleges that Anheuser-Busch, Inc. breached the existing multi-year aluminum can stock supply agreement between the parties, and we seek monetary damages and declaratory relief. Among other claims, we assert that since entering into the supply agreement, Anheuser-Busch, Inc. has breached its confidentiality obligations and there has been a structural change in market conditions that requires a change to the pricing provisions under the agreement.

In its complaint, Anheuser-Busch, Inc. has asked for a declaratory judgment that Anheuser-Busch, Inc. is not obligated to modify the supply agreement as requested by Novelis Corporation, and that Novelis Corporation must continue to perform under the existing supply agreement.

The Anheuser-Busch, Inc. litigation is currently at the discovery stage. Novelis Corporation has continued to perform under the supply agreement during the litigation.

ARCO Aluminum Complaint. On May 24, 2007, Arco Aluminum Inc. (ARCO) filed a complaint against Novelis Corporation and Novelis Inc. in the United States District Court for the Western District of Kentucky. ARCO and Novelis are partners in a joint venture rolling mill located in Logan, Kentucky. In the complaint, ARCO seeks to resolve a perceived dispute over management and control of the joint venture following Hindalco's acquisition of Novelis.

ARCO alleges that its consent was required in connection with Hindalco's acquisition of Novelis. Failure to obtain consent, ARCO alleges, has put us in default of the joint venture agreements, thereby triggering certain provisions in those agreements. The provisions include a reversion of the production management at the joint venture to Logan Aluminum from Novelis, and a reduction of the board of directors of the entity that manages the joint venture from seven members (four appointed by Novelis and three appointed by ARCO) to six members (three appointed by each of Novelis and ARCO).

ARCO is seeking a court declaration that (1) Novelis and its affiliates are prohibited from exercising any managerial authority or control over the joint venture, (2) Novelis' interest in the joint venture is limited to an economic interest only and (3) ARCO has authority to act on behalf of the joint venture. Or, alternatively, ARCO is seeking a reversion of the production management function to Logan Aluminum, and a change in the composition of the board of directors of the entity that manages the joint venture. Novelis filed its answer to the complaint on July 16, 2007.

On July 3, 2007, ARCO filed a motion for partial summary judgment with respect to one of the counts of its complaint relating to the claim that Novelis breached the joint venture agreement by not seeking ARCO's consent. On July 30, 2007, Novelis filed a motion to hold ARCO's motion for summary judgment in abeyance (pending further discovery), along with a demand for a jury. Those motions are pending. We intend to defend these proceedings vigorously.

Item 6. ***Exhibits***

Exhibit No.	Description
2.1	Arrangement Agreement by and among Hindalco Industries Limited, AV Aluminum Inc. and Novelis Inc., dated as of February 10, 2007 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on February 13, 2007)
3.1	Restated Certificate and Articles of Incorporation of Novelis Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by Novelis Inc. on January 7, 2005 (File No. 001-32312))
3.2	By-law No. 1 of Novelis Inc. (incorporated by reference to Exhibit 3.2 to the Form 10 filed by Novelis Inc. on November 17, 2004 (File No. 001-32312))
4.1	Shareholder Rights Agreement between Novelis and CIBC Mellon Trust Company (incorporated by reference to Exhibit 4.1 to the Form 10-K filed by Novelis Inc. on March 30, 2005 (File No. 001-32312))
4.2	Indenture, relating to the Notes, dated as of February 3, 2005, between the Company, the guarantors named on the signature pages thereto and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on February 3, 2005 (File No. 001-32312))
4.3	Form of Note for 7 1/4% Senior Notes due 2015 (incorporated by reference to Exhibit 4.1 to the Form S-4 filed by Novelis Inc. on August 3, 2005 (File No. 331-127139))
4.4	First Amendment to the Shareholder Rights Agreement between Novelis Inc. and CIBC Mellon Trust Company, dated as of February 10, 2007 (incorporated by reference to our Current Report on Form 8-K file on February 13, 2007)
10.1	$800 million asset-based lending credit facility (“ABL Facility”) dated as of July 6, 2007 among Novelis Inc., Novelis Corporation as U.S. Borrower, the other U.S. Subsidiaries of Novelis Inc., Novelis UK Ltd, Novelis AG, AV Aluminum Inc. as parent guarantor, the other guarantors party thereto, with the lenders party thereto, ABN AMRO Bank N.V., as U.S./European issuing bank, swingline lender and administrative agent, LaSalle Business Credit, LLC, as collateral agent and funding agent, UBS Securities LLC, as syndication agent, Bank of America, N.A., National City Business Credit, Inc. and CIT Business Credit Canada Inc., as documentation agents, ABN AMRO Bank N.V. Canada Branch, as Canadian issuing bank, Canadian funding agent and Canadian administrative agent, and ABN AMRO Incorporated and UBS Securities LLC, as joint lead arrangers and joint book managers
10.2	$960 million term loan facility (“Term Loan Facility”) dated as of July 6, 2007 among Novelis Inc., Novelis Corporation as U.S. Borrower, AV Aluminum Inc., As Holdings, and the other guarantors party thereto, with the lenders party thereto, UBS AG, Stamford Branch, as administrative agent and as collateral agent, UBS Securities LLC, as syndication agent, ABN AMRO Incorporated, as documentation agent, and UBS Securities LLC and ABN AMRO Incorporated as joint lead arrangers and joint book managers
10.3	Intercreditor Agreement dated as of July 6, 2007 by and among Novelis Inc., Novelis Corporation, Novelis PAE Corporation, Novelis Finances USA LLC, Novelis South America Holdings LLC, Aluminum Upstream Holdings LLC, Novelis UK Ltd, Novelis AG, AV Aluminum Inc., and the subsidiary guarantors party thereto, as grantors, ABN AMRO BANK N.V., as revolving credit administrative agent ABN AMRO Bank N.A., acting through its Canadian branch, as revolving credit Canadian administrative agent and as revolving credit Canadian funding agent, La Salle Business Credit, LLC, as revolving credit collateral agent and as revolving credit funding agent, and UBS AG, Stamford Branch, as Term Loan administrative agent, and Term Loan collateral agent
10.4	Security Agreement made by Novelis Inc., as Canadian Borrower, Novelis Corporation, as U.S. Borrower and the guarantors from time to time party thereto in favor of UBS AG, Stamford branch, as collateral agent dated as of July 6, 2007
10.5	Security Agreement made by Novelis Inc., as Canadian Borrower, Novelis Corporation, Novelis PAE Corporation, Novelis Finances USA LLC, Novelis South America Holdings LLC, Aluminum Upstream Holdings LLC, as U.S. Borrowers and the guarantors from time to time party thereto in favor of La Salle Business Credit, LLC, as collateral agent dated as of July 6, 2007
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer

SIGNATURES

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

NOVELIS INC.

By: /s/ Steven Fisher
Steven Fisher
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Jeffrey Schwaneke
Jeffrey Schwaneke
Vice President and Controller
(Principal Accounting Officer)

Date: November 9, 2007

EXHIBIT INDEX

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31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer

Exhibit 10.1

EXECUTION VERSION

$800,000,000

CREDIT AGREEMENT
dated as of July 6, 2007,

among

NOVELIS INC.,
as Canadian Borrower,

NOVELIS CORPORATION
as U.S. Borrower,

THE OTHER U.S. SUBSIDIARIES OF CANADIAN BORROWER
PARTY HERETO AS U.S. BORROWERS,

NOVELIS UK LTD,
as U.K. Borrower,

NOVELIS AG,
as Swiss Borrower,

AV ALUMINUM INC.,
as Parent Guarantor,

THE OTHER GUARANTORS PARTY HERETO,

THE LENDERS PARTY HERETO

ABN AMRO BANK N.V.,
as U.S./European Issuing Bank, U.S. Swingline Lender and Administrative Agent,

LASALLE BUSINESS CREDIT, LLC,
as Collateral Agent and Funding Agent,

UBS SECURITIES LLC,
as Syndication Agent,

BANK OF AMERICA, N.A., NATIONAL CITY BUSINESS CREDIT, INC. and
CIT BUSINESS CREDIT CANADA INC.,
as Documentation Agents,

ABN AMRO BANK N.V.,
acting through its Canadian branch,
as Canadian Issuing Bank, Canadian Funding Agent and Canadian Administrative Agent,

and

ABN AMRO INCORPORATED
UBS SECURITIES LLC,
as Joint Lead Arrangers and Joint Bookmanagers

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CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**"), dated as of July 6, 2007, is among NOVELIS INC., a corporation formed under the Canada Business Corporations Act (the "**Canadian Borrower**"), NOVELIS CORPORATION, a Texas corporation, and the other U.S. subsidiaries of the Canadian Borrower signatory hereto as borrowers (each, an "**Initial U.S. Borrower**" and, collectively, the "**Initial U.S. Borrowers**"), NOVELIS UK LTD, a limited liability company incorporated under the laws of England and Wales with registered number 00279596 (the "**U.K. Borrower**"), and NOVELIS AG, a stock corporation (AG) organized under the laws of Switzerland (the "**Swiss Borrower**" and, together with the Canadian Borrower, the U.S. Borrowers, and the U.K. Borrower, the "**Borrowers**"), AV ALUMINUM INC., a corporation formed under the Canada Business Corporations Act, the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, ABN AMRO BANK N.V., as U.S./European issuing bank (in such capacity, "**U.S./European Issuing Bank**"), ABN AMRO BANK N.V., acting through its Canadian branch, as Canadian issuing bank (in such capacity, "**Canadian Issuing Bank**"), ABN AMRO BANK N.V., as swingline lender (in such capacity, "**U.S. Swingline Lender**"), ABN AMRO BANK N.V., as administrative agent (in such capacity, "**Administrative Agent**") for the Lenders, LASALLE BUSINESS CREDIT, LLC as collateral agent (in such capacity, "**Collateral Agent**") for the Secured Parties and the Issuing Bank, LASALLE BUSINESS CREDIT, LLC as funding agent (in such capacity, "**Funding Agent**") for the Secured Parties and the Issuing Bank, UBS SECURITIES LLC, as syndication agent (in such capacity, "**Syndication Agent**"), BANK OF AMERICA, N.A., NATIONAL CITY BUSINESS CREDIT, INC. and CIT BUSINESS CREDIT CANADA INC., as documentation agents (in such capacity, "**Documentation Agents**"), ABN AMRO BANK N.V., acting through its Canadian branch, as Canadian funding agent (in such capacity, "**Canadian Funding Agent**"), ABN AMRO BANK N.V., acting through its Canadian branch, as Canadian administrative agent (in such capacity, "**Canadian Administrative Agent**"), and ABN AMRO INCORPORATED and UBS SECURITIES LLC, as joint lead arrangers and joint bookmanagers (in such capacities, "**Arrangers**").

WITNESSETH:

WHEREAS, Holdings, Canadian Borrower, a direct Wholly Owned Subsidiary of Holdings, and Hindalco Industries Limited ("**Acquiror**") entered into that certain Arrangement Agreement, dated as of February 10, 2007 (as amended, supplemented or otherwise modified from time to time, together with any annexes, schedules, exhibits or other attachments thereto, the "**Acquisition Agreement**"), pursuant to which Holdings agreed to acquire Canadian Borrower via a plan of arrangement under Section 192 of the Canada Business Corporations Act (the "**Hindalco Acquisition**").

WHEREAS, the Hindalco Acquisition closed on May 15, 2007.

WHEREAS, the Borrowers have requested the Lenders to extend credit in the form of Revolving Loans at any time and from time to time prior to the Final Maturity Date, in an aggregate principal amount at any time outstanding not in excess of the Dollar Equivalent of

$800 million plus any commitment increases funded pursuant to Section 2.23 hereof (including an initial Canadian commitment of the Dollar Equivalent of $60 million).

WHEREAS, the Borrowers have requested the U.S. Swingline Lender to make U.S. Swingline Loans, at any time and from time to time prior to the Final Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $75 million.

WHEREAS, the Borrowers have requested that ABN AMRO Bank, N.V. (itself, or through one of its Affiliates that is a Swiss Qualifying Bank chosen by the Funding Agent) (the "**European Swingline Lender**") make European Swingline Loans, at any time and from time to time prior to the Final Maturity Date, in an aggregate principal amount at any time outstanding not in excess of the Dollar Equivalent of $25 million.

WHEREAS, the Borrowers have requested the U.S./European Issuing Bank to issue letters of credit, in an aggregate face amount at any time outstanding not in excess of the Dollar Equivalent of $75 million, to support payment obligations incurred by Subsidiaries (other than Canadian Subsidiaries) of Canadian Borrower.

WHEREAS, the Borrowers have requested the Canadian Issuing Bank to issue letters of credit, in an aggregate face amount at any time outstanding not in excess of the Dollar Equivalent of $20 million, to support payment obligations incurred by Canadian Borrower and its Canadian Subsidiaries.

WHEREAS, the proceeds of the Loans are to be used in accordance with Section 3.12.

WHEREAS, Holdings, Canadian Borrower and Novelis Corporation shall enter into the Term Loan Credit Agreement providing for Term Loans in the aggregate principal amount of $960 million simultaneously herewith.

NOW, THEREFORE, the Lenders are willing to extend such credit to the Borrowers and the Issuing Bank is willing to issue letters of credit for the account of the Borrowers on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 **Defined Terms**. As used in this Agreement (including the preamble), the following terms shall have the meanings specified below:

"**ABN AMRO**" shall mean ABN AMRO Bank N.V.

"**ABR**", when used in reference to any Loan or Borrowing, is used when such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"**ABR Borrowing**" shall mean a Borrowing comprised of ABR Loans.

“**ABR Loan**” shall mean any ABR Revolving Loan or U.S. Swingline Loan.

“**ABR Revolving Loan**” shall mean any Revolving Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of ARTICLE II.

“**Account Debtor**” shall mean, “Account Debtor,” as such term is defined in the UCC as in effect on the date hereof in the State of New York.

“**Accounts**” shall mean all “accounts,” as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which such Person now or hereafter has rights.

“**Acquiror**” shall have the meaning assigned to such term in the recitals hereto.

“**Acquisition**” shall mean any transaction or series of related transactions for the direct or indirect (a) acquisition of all or substantially all of the property and assets or business of any person, or of any business unit, line of business or division of any person or assets constituting a business unit, line of business or division of any other person, (b) acquisition of in excess of 50% of the Equity Interests of any person or otherwise causing a person to become a Subsidiary of the acquiring person, or (c) merger, consolidation or amalgamation, whereby a person becomes a Subsidiary of the acquiring person, or any other consolidation with any person, whereby a person becomes a Subsidiary of the acquiring person.

“**Acquisition Agreement**” shall have the meaning assigned to such term in the recitals hereto.

“**Acquisition Closing Date**” shall mean May 15, 2007.

“**Acquisition Consideration**” shall mean the purchase consideration for any Permitted Acquisition, whether paid in cash, properties, any assumption of Indebtedness or otherwise (other than by the issuance of Qualified Capital Stock of Holdings permitted to be issued hereunder) and whether payable at or prior to the consummation of such Permitted Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and includes any and all payments representing “earn-outs” and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; provided that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP at the time of such sale to be established in respect thereof by Holdings or any of its Subsidiaries.

“**Acquisition Documents**” has the meaning assigned to such term in Section 3.21.

“**Acquisition Material Adverse Effect**” shall mean any change, effect, event, occurrence, state of facts or development which individually or in the aggregate (a) is or would reasonably be expected to be materially adverse to the business, operations, results of operations, affairs, liabilities or obligations (whether absolute, accrued, conditional, contingent or otherwise), capitalization or financial condition of the Canadian Borrower and its Subsidiaries,

taken as a whole; or (b) is or would reasonably be expected to impair in any material respect the ability of the Canadian Borrower to consummate the transactions contemplated by the Acquisition Agreement or to perform its obligations under the Acquisition Agreement on a timely basis; provided that none of the following shall be deemed, either individually or in the aggregate, to constitute an Acquisition Material Adverse Effect: any change, effect, event, occurrence, state of facts or development (A) in the financial, banking, credit, securities, or commodities markets, the economy in general or prevailing interest rates of the United States, Canada or any other jurisdiction, where the Canadian Borrower or any of its Subsidiaries has operations or significant revenues, (B) in any industry in which the Canadian Borrower or any of its Subsidiaries operates, (C) in the Canadian Borrower's stock price or trading volume (provided that this clause (C) shall not be construed as providing that any cause or factor affecting the Canadian Borrower's stock price or trading volume does not constitute an Acquisition Material Adverse Effect), (D) arising as a result of a change in U.S. GAAP or regulatory accounting principles or interpretations thereof after the date hereof, (E) in Law (as defined in the Acquisition Agreement as of the Acquisition Closing Date) or interpretations thereof by any Governmental Entity (as defined in the Acquisition Agreement as of the Acquisition Closing Date), (F) arising or resulting from the announcement of the Acquisition Agreement, the pendency of the transactions contemplated therein and in the Plan of Arrangement (as defined in the Acquisition Agreement as of the Acquisition Closing Date), (G) arising or resulting from any failure by the Canadian Borrower to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that this clause (G) shall not be construed as providing that any cause or factor giving rise to such failure does not constitute an Acquisition Material Adverse Effect), (H) any continuation of an adverse trend or condition or the escalation of, or any developments with respect to, any dispute referred to on Schedule 3.07 of the Canadian Borrower Disclosure Schedule to the Acquisition Agreement on the Acquisition Closing Date, (I) arising or resulting from any act of war or terrorism (or, in each case, escalation thereof) or declaration of a national emergency, or (J) arising or resulting from the acts or omissions of Acquiror and/or its Affiliates, as determined immediately prior to the Acquisition Closing Date; except in the cases of clauses (A), (B) and (I), to the extent such change, effect, event, occurrence, state of facts or development has or would reasonably be expected to have a disproportionate effect on the Canadian Borrower and its Subsidiaries, taken as a whole, as compared to other persons in the industries in which the Canadian Borrower and its Subsidiaries operate unless such disproportionate change, effect, event, occurrence, state of facts or development arises from any metal price ceiling in any of the Canadian Borrower's customer contracts.

"Activation Notice" has the meaning assigned to such term in Section 9.01(c).

"**Additional Subordinated Debt Loan**" shall mean any loan, advance or other extension of credit extended by the Acquiror or any of its Affiliates (other than any Subsidiary of Holdings) to Holdings having the same subordination terms as the subordination terms applicable to the Subordinated Debt Loan as in effect on the Closing Date; provided that such loan, advance or extension of credit shall be unsecured Indebtedness of Holdings, (i) with respect to which no Borrower or Subsidiary has any Contingent Obligation, (ii) that will not mature prior to the 180th day following the Final Maturity Date, (iii) that has no scheduled amortization of principal prior to the 180th day following the Final Maturity Date, (iv) that does not require any payments in cash of interest, principal or other amounts prior to the 180th day following the

Final Maturity Date, and (v) that has no mandatory prepayment, repurchase or redemption requirements; provided, further, that at least five Business Days prior to the time of incurrence of such Indebtedness (or such shorter period as the Funding Agent may agree), a Responsible Officer of Holdings delivers a certificate to the Funding Agent (together with drafts of the documentation relating thereto) stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Adjusted EURIBOR Rate**" shall mean, with respect to any EURIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Funding Agent to be equal to the sum of (a) (i) the EURIBOR Rate for such EURIBOR Borrowing in effect for such Interest Period divided by (ii) 1 minus the Statutory Reserves (if any) for such EURIBOR Borrowing for such Interest Period plus, (b) without duplication of any increase in interest rate attributable to Statutory Reserves pursuant to the foregoing clause (ii), the Mandatory Cost (if any).

"**Adjusted LIBOR Rate**" shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Funding Agent to be equal to the sum of (a) (i) the LIBOR Rate for such Eurocurrency Borrowing in effect for such Interest Period divided by (ii) 1 minus the Statutory Reserves (if any) for such Eurocurrency Borrowing for such Interest Period plus, (b) without duplication of any increase in interest rate attributable to Statutory Reserves pursuant to the foregoing clause (ii), the Mandatory Cost (if any).

"**Administrative Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X; provided that with respect to the facility made available to the Canadian Borrower hereunder (including with respect to Canadian Letters of Credit), references in this Agreement and the other Loan Documents to the Administrative Agent shall be deemed a reference to the Canadian Administrative Agent.

"**Administrative Borrower**" shall mean Novelis Inc., or any successor entity serving in that role pursuant to Section 2.03(b).

"**Administrative Questionnaire**" shall mean an Administrative Questionnaire in substantially the form of Exhibit A.

"**Affiliate**" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; provided, however, that, for purposes of Section 6.09, the term "Affiliate" shall also include (i) any person that directly or indirectly owns more than 15% of any class of Equity Interests of the person specified or (ii) any person that is an executive officer or director of the person specified.

"**Agents**" shall mean the Administrative Agent, the Canadian Administrative Agent, the Funding Agent, the Canadian Funding Agent and the Collateral Agent; and "Agent" shall mean any of them.

“**Agent**’**s Account**” shall have the meaning assigned to such term in Schedule 1.01(i).

“**Agreement**” shall have the meaning assigned to such term in the preamble hereto.

“**Alternate Base Rate**” shall mean, for any day, a rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the greater of (a) the Base Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 0.50%. If the Funding Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability of the Funding Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Base Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Base Rate or the Federal Funds Effective Rate, respectively.

“**Alternate Currency**” shall mean each of euros, GBP and Canadian Dollars and, with regard only to European Swingline Loans, Swiss francs.

“**Alternate Currency Equivalent**” shall mean, as to any amount denominated in dollars as of any date of determination, the amount of the applicable Alternate Currency that could be purchased with such amount of dollars based upon the Spot Selling Rate.

“**Alternate Currency Letter of Credit**” shall mean any Letter of Credit to the extent denominated in an Alternate Currency.

“Alternate Currency Revolving Loan” shall mean each Revolving Loan denominated in an Alternate Currency.

“**Anti-Terrorism Laws**” shall have the meaning assigned to such term in Section 3.22.

“**Applicable Administrative Borrower**” shall mean the Administrative Borrower and/or the European Administrative Borrower, as the context may require.

“**Applicable Eligible Jurisdiction**” shall mean (i) in the case of Eligible Accounts or Eligible Inventory of the U.S. Borrowers, the United States, Canada and, in the case of Eligible Accounts only, Puerto Rico, (ii) in the case of Eligible Accounts or Eligible Inventory of the Canadian Loan Parties, Canada and the United States, (iii) in the case of Eligible Accounts of an Eligible European Loan Party (other than Swiss Borrower), an Applicable European Jurisdiction, the United States and Canada, (iv) in the case of Eligible Accounts of the Swiss Borrower, Germany, the United States, Canada or such other Applicable European Jurisdiction as the Funding Agent may approve in its Permitted Discretion and (v) in the case of Eligible Accounts of the U.S. Borrowers or of the Canadian Loan Parties with respect to which either (x) the Account Debtor’s senior unsecured debt rating is at least BBB- by S&P and Baa3 by Moody’s or (y) the Account Debtor’s credit quality is acceptable to the Funding Agent, such Applicable European Jurisdictions, as may be approved by the Funding Agent.

“**Applicable European Jurisdiction**” shall mean Germany, United Kingdom, France, Netherlands, Italy, Ireland, Belgium, Spain, Sweden, Finland, Austria, Denmark, Greece, Portugal, Luxembourg, and Switzerland or any other country that from time to time is a Participating Member State that is approved by the Funding Agent in its Permitted Discretion as an “Applicable European Jurisdiction”.

“**Applicable Fee**” shall mean, (i) for any day during the period from the Closing Date through the first date after December 31, 2007 upon which a Borrowing Base Certificate is delivered, a rate equal to 0.375% per annum and (ii) for any day during any fiscal quarter thereafter, if the average daily aggregate utilized amount of the Revolving Commitments of the Lenders for the preceding fiscal quarter was greater than or equal to 50% of the average daily aggregate amount of the Lenders’ Revolving Commitments during such preceding fiscal quarter, a rate equal to 0.25% per annum, and if the average daily aggregate utilized amount of the Revolving Commitments of the Lenders during the preceding fiscal quarter was less than 50% of the average daily aggregate amount of the Lenders’ Revolving Commitments during such fiscal quarter, a rate equal to 0.375% per annum. Each change in the Applicable Fee shall be effective on the first day of each fiscal quarter during the term hereof. For purposes of computing the Applicable Fee with respect to Revolving Commitments, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans, Swingline Exposure and LC Exposure of such Lender.

“**Applicable Margin**” shall mean, for any day, with respect to any Revolving Loan or Swingline Loan, as the case may be, the applicable percentage set forth in Annex I under the appropriate caption.

“**Approved Currency**” shall mean each of dollars and each Alternate Currency.

“**Approved Fund**” shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Approved Member State**” shall mean Belgium, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Spain, Sweden and the United Kingdom.

“**Arrangers**” shall have the meaning assigned to such term in the preamble hereto.

“**Asset Sale**” shall mean (a) any conveyance, sale, lease, sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of any property, excluding (i) sales of Inventory and dispositions of cash and Cash Equivalents, in each such excluded case, which are in the ordinary course of business, by Holdings or any of its Subsidiaries, and (ii) sales of Accounts pursuant to the Receivables Purchase Agreement by any Loan Party or (b) any issuance or sale of any Equity Interests of any Subsidiary of Holdings; provided that such issuances or sales of Equity Interests to Companies other than Holdings shall constitute Asset Sales only for purposes of Section 6.06.

“**Asset Swap**” shall mean the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash

Equivalents between any Company and another person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 2.10(c).

"**Assignment and Assumption**" shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.04(b)), and accepted by the Funding Agent, in substantially the form of Exhibit B, or any other form approved by the Funding Agent.

"**Attributable Indebtedness**" shall mean, when used with respect to any Sale and Leaseback Transaction, as at the time of determination, the present value (discounted at the rate implicit in the lease) of the total obligations of the lessee for rental payments during the remaining term of the lease included in any such Sale and Leaseback Transaction.

"**Auditor's Determination**" shall have the meaning assigned to such term in Section 7.11(b).

"**AV Aluminum**" shall mean AV Aluminum Inc., a corporation formed under the Canada Business Corporations Act.

"**AV Metals**" shall mean AV Metals, Inc., a corporation formed under the Canada Business Corporations Act.

"**Availability Conditions**" shall mean that, with respect to any proposed transaction, each of the following conditions are satisfied: (i) both immediately prior to and after giving effect to such transaction, no Default shall have occurred and be continuing, (ii) the average Excess Availability shall have been equal to or greater than $150 million (or, in the case of any such transactions under Section 6.08 and Section 6.11(a)(i), $180 million for the preceding 30 day period (based on the Borrowing Base Certificate last delivered or delivered at the time of such action) and Excess Availability shall be at least $150 million (or, in the case of any such transactions under Section 6.08 and Section 6.11(a)(i), $180 million after giving effect to such transaction and (iii) in the case of any such transactions under Section 6.08, Section 6.11(a)(i) and Section 6.11(b)(i), the Consolidated Fixed Charge Coverage Ratio, calculated on a pro forma basis to give effect to such transaction shall be at least 1.00 to 1.00.

"**Available Amount**" shall have the meaning assigned to such term in Section 7.12(a).

"**Average Quarterly Excess Availability**" shall mean, as of any date of determination, the average daily Excess Availability for the three-fiscal month period immediately preceding such date (with the Borrowing Base for any day during such period calculated by reference to the most recent Borrowing Base Certificate delivered to the Funding Agent on or prior to such day). Average Quarterly Excess Availability shall be calculated by the Funding Agent and such calculations shall be presumed to be correct, absent manifest error.

"**BA Interest Period**" shall mean, relative to any BA Rate Loan, the period beginning on (and including) the date on which such BA Rate Loan is made or continued to (but excluding) the date which is 30, 60, 90 or 180 days thereafter, as selected by the Canadian Borrower, provided that any BA Rate Borrowings made or continued during the period beginning on the Closing Date and ending on the earlier of (x) three months following the Closing Date and (y)

the completion of the primary syndication of the Commitments (as determined by the Arranger), shall have a BA Interest Period of 30 days.

"**BA Rate**" shall mean, with respect to any BA Interest Period for any BA Rate Loan, the discount rate determined by the Funding Agent to be the average offered rate for bankers' acceptances for the applicable BA Interest Period appearing on the Reuters Screen CDOR (Certificate of Deposit Offered Rate) page as of 10:00 a.m. (Toronto time) on the first day of such BA Interest Period plus 0.05%. In the event that such rate does not appear on the Reuters Screen CDOR (Certificate of Deposit Offered Rate) page (or otherwise on the Reuters screen), the BA Rate for the purposes of this definition shall be determined by reference to such other comparable publicly available service for displaying bankers' acceptance rates as may be selected by the Funding Agent and, in the event that the CDOR rate is not available for any Business Day, the CDOR rate for the immediately previous Business Day for which a CDOR rate is available shall be used.

"**BA Rate Loan**" shall mean a Loan that bears interest at a rate based on the BA Rate.

"**Bailee Letter**" shall mean an agreement in form substantially similar to Exhibit 7 to the U.S. Security Agreement or otherwise in form and substance reasonably satisfactory to the Collateral Agent.

"**Base Rate**" shall mean, for any day, a rate per annum that is equal to the corporate base rate of interest established by the Funding Agent from time to time; each change in the Base Rate shall be effective on the date such change is effective. The corporate base rate is not necessarily the lowest rate charged by the Funding Agent to its customers.

"**Base Rate Loan**" shall mean any ABR Loan or Canadian Base Rate Loan.

"**Blocked Account**" shall mean shall have the meaning assigned to such term in Section 9.01.

"**Blocked Loan Party**" shall have the meaning assigned to such term in Section 2.22.

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

"**Borrowers**" shall have the meaning assigned to such term in the preamble hereto. Unless the context otherwise requires, and subject to Section 11.25, each reference in this Agreement to "each Borrower" or "the applicable Borrower" shall be deemed to be a reference to (w) each U.S. Borrower on a joint and several basis, (x) the Canadian Borrower, (y) the U.K. Borrower and/or (z) the Swiss Borrower, as the case may be.

"**Borrowing**" shall mean (a) Loans to one of (w) the U.S. Borrowers, jointly and severally, (x) Canadian Borrower, (y) U.K. Borrower or (z) Swiss Borrower, in each case of the same currency, Class, Sub-Class and Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans and EURIBOR Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

"**Borrowing Base**" shall mean the U.S. Borrowing Base, the Canadian Borrowing Base, the U.K. Borrowing Base, the Swiss Borrowing Base and/or the Total Borrowing Base, as the context may require.

"**Borrowing Base Certificate**" shall mean an Officers' Certificate from Administrative Borrower, substantially in the form of (or in such other form as may, from time to time, be mutually agreed upon by Administrative Borrower, Collateral Agent and Funding Agent), and containing the information prescribed by Exhibit R, delivered to the Funding Agent and the Collateral Agent setting forth the Administrative Borrower's calculation of the Borrowing Base.

"**Borrowing Base Guarantor**" shall mean (a) as of the Closing Date, each Canadian Guarantor and (b) in addition thereafter, any other Wholly Owned Subsidiary of Canadian Borrower that (i) is organized in Canada or incorporated in England and Wales, (ii) is able to prepare all collateral reports in a comparable manner to the Borrowers' reporting procedures and (iii) has executed and delivered to Collateral Agent a joinder agreement hereto and such joinder agreements to guarantees, contribution and set-off agreements and other Loan Documents as Collateral Agent has reasonably requested (all of which shall be in form and substance acceptable to, and provide a level of security and guaranty acceptable to, Funding Agent in its Permitted Discretion), so long as Collateral Agent has received and approved, in its Permitted Discretion, (A) a collateral audit conducted by an independent appraisal firm reasonably acceptable to Collateral Agent, (B) all UCC or other search results necessary to confirm Collateral Agent's Lien on all of such Borrowing Base Guarantor's personal property, subject to Permitted Liens, which Lien is a First Priority Lien with regard to the Revolving Credit Priority Collateral, and (C) such customary certificates (including a solvency certificate), resolutions, financial statements, legal opinions, and other documentation as the Funding Agent may reasonably request (including as required by Sections 5.11 and 5.12).

"**Borrowing Base Loan Party**" shall have the meaning assigned to such term in Section 9.01.

"**Borrowing Request**" shall mean a request by a Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Funding Agent.

"Brazilian Guarantor" shall mean each Subsidiary of Holdings organized in Brazil party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Brazil that is required to become a Guarantor pursuant to the terms hereof.

"**Brazilian Security Agreements**" shall mean, collectively, any Security Agreements substantially in the form of Exhibits M-7-1 to 5 among the Brazilian Guarantor and the Collateral Agent for the benefit of the Secured Parties.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks in New York City are authorized or required by law to close; provided, however, that when used in connection with notices and determinations in connection with, and payments of principal and interest on or with respect to, (a) a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market, (b) a Canadian Base Rate Loan or BA Rate Loan, the term "Business Day" shall also exclude any day on which banks in Toronto, Ontario are authorized or required by law to close, (c) an Alternate Currency Revolving Loan denominated in euros, the term "Business Day" shall also exclude any day that is not a TARGET Day (as determined in good faith by the Funding Agent), and (d) a European Swingline Loan, the term "Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in Zurich are authorized or required by law to close.

"Canadian Administrative Agent" shall have the meaning assigned to such term in the preamble hereto.

"Canadian Base Rate" shall mean the rate determined by the Canadian Funding Agent as the rate displayed at or about 10:30 a.m. (Chicago time) on display page CAPRIME of the Reuters Screen as the prime rate for loans denominated in Canadian Dollars by Canadian banks to borrowers in Canada; provided, however, that, in the event that such rate does not appear on the Reuters Screen on such day or if the basis of calculation of such rate is changed after the date hereof, and, in the reasonable judgment of the Canadian Funding Agent, such rate ceases to reflect each Canadian Lender's cost of funding to the same extent as on the date hereof, then the "Canadian Base Rate" shall be the average of the floating rate of interest per annum established (or commercially known) as "prime rate" for loans denominated in Canadian Dollars on such day by three major Canadian banks selected by the Canadian Funding Agent.

"**Canadian Base Rate Loan**" shall mean any Revolving Loan bearing interest at a rate determined by reference to the Canadian Base Rate in accordance with the provisions of ARTICLE II.

"Canadian Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Canadian Borrower Obligations" shall mean all Obligations owing to the Canadian Administrative Agent, the Canadian Funding Agent, the Collateral Agent, any Issuing Bank or any Lender by the Canadian Borrower.

"**Canadian Borrowing Base**" shall mean at any time an amount equal to the sum of the Dollar Equivalent of, without duplication:

(i) the book value of Eligible Canadian Accounts multiplied by the advance rate of 85%, plus

(ii) the lesser of (i) the advance rate of 75% of the Cost of Eligible Canadian Inventory, or (ii) the advance rate of 85% of the Net Recovery Cost Percentage multiplied by the Cost of Eligible Canadian Inventory, minus

(iii) effective upon notification thereof to Administrative Borrower by the Collateral Agent and compliance with Section 2.01(d), any Reserves established from time to time by the Collateral Agent with respect to the Canadian Borrowing Base in accordance with the terms of this Agreement.

The Canadian Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate theretofore delivered to the Collateral Agent and the Funding Agent with such adjustments as Funding Agent and Collateral Agent deem appropriate in their collective Permitted Discretion to assure that the Canadian Borrowing Base is calculated in accordance with the terms of this Agreement.

"Canadian Commitment" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Canadian Revolving Loans and to purchase participations in Canadian Letters of Credit hereunder up to the amount set forth on Schedule I to the Lender Addendum executed and delivered by such Lender directly under the column entitled "Canadian Commitment" or in an Increase Joinder, or in the Assignment and Assumption pursuant to which such Lender assumed its Canadian Commitment, as applicable, as the same may be (a) increased pursuant to Section 2.23, (b) reduced from time to time pursuant to Section 2.07 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate amount of the Lenders' Canadian Commitments on the Closing Date is $60 million.

"Canadian Dollar Denominated Loan" shall mean each Canadian Revolving Loan denominated in Canadian Dollars at the time of the incurrence thereof, unless and until converted into Dollar Denominated Loans pursuant to Section 2.09.

"Canadian dollars" or **"Can$"** shall mean the lawful money of Canada.

"Canadian Funding Agent" shall have the meaning assigned to such term in the preamble hereto.

"Canadian Guarantor" shall mean Holdings and each Subsidiary of Holdings organized in Canada (other than the Canadian Borrower) party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Canada that is required to become a Guarantor pursuant to the terms hereof.

"**Canadian Issuing Bank**" shall mean, as the context may require, (a) ABN AMRO Bank N.V., acting through its Canadian branch, in its capacity as issuer of Canadian Letters of Credit issued by it; (b) any other Canadian Lender that may become an Issuing Bank pursuant to Section 2.18(j) and (k) in its capacity as issuer of Canadian Letters of Credit issued by such Canadian Lender; (c) any other Canadian Lender that may become an Issuing Bank pursuant to Section 2.18(l), but solely in its capacity as issuer of Existing Letters of Credit; or (d) collectively, all of the foregoing. Any Canadian Issuing Bank may, in its discretion, arrange for one or more Canadian Letters of Credit to be issued by Affiliates of such Canadian Issuing Bank that are Canadian residents, in which case the term "Canadian Issuing Bank" shall include any such Affiliate with respect to Canadian Letters of Credit issued by such Affiliate.

“**Canadian LC Commitment**” shall mean the commitment of the Canadian Issuing Bank to issue Canadian Letters of Credit pursuant to Section 2.18. The total amount of the Canadian LC Commitment shall initially be $20 million, but shall in no event exceed the Canadian Commitment.

“**Canadian LC Exposure**” shall mean at any time the sum of (a) the Dollar Equivalent of the aggregate undrawn amount of all outstanding Canadian Letters of Credit at such time plus (b) the Dollar Equivalent of the aggregate principal amount of all Canadian Reimbursement Obligations outstanding at such time. The Canadian LC Exposure of any Canadian Lender at any time shall mean its Pro Rata Percentage of the aggregate Canadian LC Exposure at such time.

“Canadian Lender” shall mean each Lender that has a Canadian Commitment (without giving effect to any termination of the Total Canadian Commitment if any Canadian L/C Exposure remains outstanding) or which has any outstanding Canadian Revolving Loans (or any then outstanding Canadian LC Exposure). Unless the context otherwise requires, each reference in this Agreement to a Lender includes each Canadian Lender and shall include references to any Affiliate of any such Lender which is acting as a Canadian Lender.

“**Canadian Letter of Credit**” shall have the meaning assigned to such term in Section 2.18(a).

“Canadian Loan Party” shall mean each of the Canadian Borrower and each Canadian Guarantor.

“**Canadian Percentage**” of any Canadian Lender at any time shall be that percentage which is equal to a fraction (expressed as a percentage) the numerator of which is the Canadian Commitment of such Canadian Lender at such time and the denominator of which is the Total Canadian Commitment at such time, provided that if any such determination is to be made after the Total Canadian Commitment (and the related Canadian Commitments of the Lenders) has (or have) terminated, the determination of such percentages shall be made immediately before giving effect to such termination.

“**Canadian Reimbursement Obligations**” shall mean the Canadian Borrower’s obligations under Section 2.18(e) to reimburse LC Disbursements in respect of Canadian Letters of Credit.

“**Canadian Resident**” shall mean, (a) a person resident in Canada for purposes of Part XIII of the Income Tax Act (Canada), (b) an “authorized foreign bank” (as defined in Section 2 of the Bank Act (Canada) and Subsection 248(1) of the Income Tax Act) which at all times holds all of its interest in any Canadian Borrower Obligations owed by the Canadian Borrower hereunder in the course of its Canadian banking business for purposes of subsection 212(13.3) of the Income Tax Act (Canada) or (c) any Lender or other Person able to establish to the satisfaction of the Canadian Funding Agent and the Canadian Borrower based on applicable law in effect on the date on which it becomes a Lender that such Lender is not subject to deduction or withholding of income or similar Taxes imposed by Canada (or any political subdivision or

taxing authority thereof or therein) with respect to any payments to such Lender of interest, fees, commission, or any other amount payable by the Canadian Borrower under the Loan Documents.

"**Canadian Revolving Exposure**" shall mean, with respect to any Canadian Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding Canadian Revolving Loans of such Lender, plus the Dollar Equivalent of the aggregate amount at such time of such Lender's Canadian LC Exposure.

"**Canadian Revolving Loan**" shall have the meaning assigned to such term in Section 2.01(b).

"**Canadian Security Agreement**" shall mean the Security Agreements substantially in the form of Exhibits M-2-1 to 6 among the Canadian Loan Parties and the Collateral Agent for the benefit of the Secured Parties.

"**Capital Assets"** shall mean, with respect to any person, all equipment, fixed assets and Real Property or improvements of such person, or replacements or substitutions therefor or additions thereto, that, in accordance with GAAP, have been or should be reflected as additions to property, plant or equipment on the balance sheet of such person.

"**Capital Expenditures**" shall mean, for any period, without duplication, all expenditures made directly or indirectly by the Canadian Borrower and its Subsidiaries during such period for Capital Assets (whether paid in cash or other consideration, financed by the incurrence of Indebtedness or accrued as a liability), together with the Canadian Borrower's proportionate share of such amounts for Norf GmbH for such period, but in each case excluding any portion of such expenditures constituting the Acquisition Consideration for acquisitions of property, plant and equipment in Permitted Acquisitions or paid for with insurance proceeds.

"**Capital Lease Obligations**" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"**Cash Collateral Account**" shall mean a collateral account in the form of a deposit account established and maintained by the Collateral Agent for the benefit of the Secured Parties from the proceeds of Collateral collected in the Collection Account that have not either been released to the applicable Borrower or Guarantor or applied immediately to outstanding Obligations.

"**Cash Dominion Recovery Event**" shall mean, with respect to any Cash Dominion Trigger Event at any time (a) no Default or Event of Default shall be outstanding and (b) Excess Availability shall be at least $100 million for a period of thirty (30) consecutive days then ended.

"**Cash Dominion Trigger Event**" shall mean at any time (a) an Event of Default shall have occurred and/or (b) Excess Availability shall be less than $90 million; provided that if the occurrence of a Cash Dominion Trigger Event under clause (b) shall be due solely to a

fluctuation in currency exchange rates occurring within the two Business Day period immediately preceding such occurrence (and if no Borrowings have been made (excluding, for avoidance of doubt, any conversion or continuation of an existing Borrowing) or Letters of Credit issued hereunder during such two Business Day period), and one or more of the Borrowers, within two Business Days following receipt of such notice from the Funding Agent, repays Loans in an amount such that clause (b) is no longer applicable, a Cash Dominion Trigger Event shall be deemed not to have occurred.

"**Cash Equivalents**" shall mean, as to any person, (a) securities issued or fully guaranteed or insured by the federal government of the United States, Canada, Switzerland, any Approved Member State or any agency of the foregoing, (b) marketable direct obligations issued by any state of the United States or the District of Columbia or any political subdivision or instrumentality thereof that, at the time of the acquisition, are rated at least "A-2" by S&P or "P-2" by Moody's, (c) certificates of deposit, eurocurrency time deposits, overnight bank deposits and bankers' acceptances of any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any non-U.S. bank, or its branches or agencies (fully protected against currency fluctuations) that, at the time of acquisition, are rated at least "A-2" by S&P or "P-2" by Moody's, (d) commercial paper of an issuer rated at least "A-2" by S&P or "P-2" by Moody's, (e) shares of any money market fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (a), (b) and (c) above, (ii) has net assets, Dollar Equivalent of which exceeds $500,000,000 and (iii) is rated at least "A-2" by S&P or "P-2" by Moody's; provided, however, that the maturities of all obligations of the type specified in clauses (a), (b) and (c) above shall not exceed 365 days; provided, further, that, to the extent any cash is generated through operations in a jurisdiction outside of the United States, Canada, Switzerland or an Approved Member State, such cash may be retained and invested in obligations of the type described in clauses (a), (b) and (c) to the extent that such obligations have a credit rating equal to the sovereign rating of such jurisdiction.

"**Cash Management System**" shall have the meaning assigned to such term in Section 9.01.

"**Casualty Event**" shall mean any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any expropriation, condemnation or other taking (including by any Governmental Authority) of, any property of Holdings or any of its Subsidiaries. "Casualty Event" shall include but not be limited to any taking of all or any part of any Real Property of any person or any part thereof, in or by expropriation, condemnation or other eminent domain proceedings pursuant to any Requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any person or any part thereof by any Governmental Authority, civil or military, or any settlement in lieu thereof.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* and all implementing regulations.

A "**Change in Control**" shall be deemed to have occurred if:

(a) Acquiror at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of at least 51% of the Equity Interests of Holdings,

(b) Holdings at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) and the direct record owner of 100% of the Equity Interests of the Canadian Borrower; provided that a Permitted Holdings Amalgamation shall not constitute a Change of Control under this clause (b),

(c) Canadian Borrower at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) and the direct or indirect owner of 100% of the Equity Interests of any other Borrower, any Borrowing Base Guarantor, or Novelis Deutschland GmbH;

(d) at any time a change of control occurs under any Material Indebtedness;

(e) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Specified Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (except as set forth below) such person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of Voting Stock of Acquiror representing 50% or more of the voting power of the total outstanding Voting Stock of Acquiror; or

(f) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Acquiror (together with any new directors whose election to such Board of Directors or whose nomination for election was approved by the Specified Holders or by a vote of at least a majority of the members of the Board of Directors of Acquiror, which members comprising such majority are then still in office and were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Acquiror.

For purposes of this definition, a person shall not be deemed to have beneficial ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

"**Change in Law**" shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking into effect of any law, treaty, order, policy, rule or regulation, (b) any change in any law, treaty, order, policy, rule or regulation or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"**Charges**" shall have the meaning assigned to such term in Section 11.14.

"**Chattel Paper**" shall mean all "chattel paper," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which any Person now or hereafter has rights.

"**Chief Executive Office**" shall mean, with respect to any Person, the location from which such Person manages the main part of its business operations or other affairs.

"**Class**," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are U.S./European Revolving Loans, Canadian Revolving Loans, or European Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a U.S./European Commitment, Canadian Commitment or European Swingline Commitment, in each case, under this Agreement as originally in effect or pursuant to Section 2.23, of which such Loan, Borrowing or Commitment shall be a part.

"**Closing Date**" shall mean the date of the initial Credit Extension hereunder.

"**CNI Basket**" shall have the meaning assigned to such term in Section 6.08(d).

"**Code**" shall mean the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder.

"**Collateral**" shall mean, collectively, all of the Revolving Credit Priority Collateral and the Term Loan Priority Collateral.

"**Collateral Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X.

"**Collection Account**" has the meaning assigned to such term in Section 9.01(c).

"**Commercial Letter of Credit**" shall mean any letter of credit or similar instrument issued for the purpose of providing credit support in connection with the purchase of materials, goods or services by Canadian Borrower or any of its Subsidiaries in the ordinary course of their businesses.

"**Commerzbank Cash Pooling Agreement**" shall mean an Agreement regarding an Automatic Cash Management System entered into between Novelis AG, the "Companies" (as defined therein) and Commerzbank Aktiengesellschaft, Berlin dated 15 January 2007, together with all ancillary documentation thereto.

"**Commitment**" shall mean, with respect to any Lender, such Lender's U.S./European Commitment, Canadian Commitment and/or European Swingline Commitment, including any Commitment pursuant to Section 2.23.

"**Commitment Letter**" shall mean that certain commitment letter among Novelis Inc., the Arrangers, ABN AMRO, and UBS Loan Finance LLC, dated as of May 25, 2007, as the same may be amended, amended and restated, supplemented, revised or modified from time to time.

“**Commitment Fee**” shall have the meaning assigned to such term in Section 2.05(a).

“**Companies**” shall mean Holdings and its Subsidiaries; and “**Company**” shall mean any one of them.

“**Compensation Plan**” shall mean any program, plan or similar arrangement (other than employment contracts for a single individual) relating generally to compensation, pension, employment or similar arrangements with respect to which any Company, any Affiliate of any Company or any ERISA Affiliate of any of them has any obligation or liability, contingent or otherwise, under any Requirements of Law other than those of the United States.

“**Compliance Certificate**” shall mean a certificate of a Financial Officer substantially in the form of Exhibit D.

“**Concentration Account**” shall have the meaning assigned to such term in Section 9.01(c).

“**Concentration Account Bank**” shall have the meaning assigned to such term in Section 9.01(c).

“**Confidential Information Memorandum**” shall mean that certain confidential information memorandum of Novelis Inc., dated June 2007.

“**Consolidated Adjusted EBITDA**” shall mean, for any period, Consolidated EBITDA for such period plus, to the extent not otherwise included in Consolidated EBITDA:

(a) 100% of the net income of each Joint Venture Subsidiary and Logan for such period minus the amount of any dividends or distributions paid to the holder of any interest (other than a Company) in such Joint Venture Subsidiary or Logan during such period; and

(b) the Canadian Borrower’s proportionate share of EBITDA of Norf GmbH for such period.

“**Consolidated Amortization Expense**” shall mean, for any period, the amortization expense of the Canadian Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“**Consolidated Depreciation Expense**” shall mean, for any period, the depreciation expense of Canadian Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“**Consolidated EBITDA**” shall mean, for any period, Consolidated Net Income for such period, adjusted by:

(x) adding thereto, in each case only to the extent (and in the same proportion) deducted in determining such Consolidated Net Income and without duplication:

(a) Consolidated Interest Expense for such period,

(b) Consolidated Amortization Expense for such period,

(c) Consolidated Depreciation Expense for such period,

(d) Consolidated Tax Expense for such period,

(e) non-recurring cash expenses and charges relating to the Hindalco Acquisition and the Refinancing,

(f) restructuring charges in an amount not to exceed $15 million in the aggregate during the term hereof; and

(g) the aggregate amount of all other non-cash charges reducing Consolidated Net Income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in any future period) for such period;

(y) subtracting therefrom, the aggregate amount of all non-cash items increasing Consolidated Net Income (other than the accrual of revenue or recording of receivables in the ordinary course of business) for such period; and

(z) excluding therefrom,

(a) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by the Canadian Borrower or any of its Subsidiaries upon any Asset Sale (other than any dispositions in the ordinary course of business) by the Canadian Borrower or any of its Subsidiaries,

(b) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period,

(c) earnings or losses resulting from any reappraisal, revaluation or write-up or write-down of assets,

(d) any one-time increase or decrease to net income that is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP,

(e) unrealized gains and losses with respect to Hedging Obligations for such period, and

(f) any extraordinary gain (or extraordinary loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by the Canadian Borrower or any of its Subsidiaries during such period;

Consolidated EBITDA shall be calculated on a Pro Forma Basis to give effect to any Permitted Acquisition and Asset Sales (other than any dispositions in the ordinary course of

business, dispositions where the value of the assets disposed of is less than $15 million and Permitted Acquisitions where the amount of the Acquisition Consideration plus any Equity Interests constituting all or a portion of the purchase price is less than $15 million) consummated at any time on or after the first day of the Test Period thereof as if each such Permitted Acquisition had been effected on the first day of such period and as if each such Asset Sale had been consummated on the day prior to the first day of such period.

"**Consolidated Fixed Charge Coverage Ratio**" shall mean, for any Test Period, the ratio of (a) (i) Consolidated Adjusted EBITDA for such Test Period minus (ii) the aggregate amount of Capital Expenditures for such period that were not specifically funded by Indebtedness (other than a Revolving Loan or Swingline Loan) minus (iii) all cash payments in respect of income taxes made during such period (net of any cash refund in respect of income taxes actually received during such period) to (b) Consolidated Fixed Charges for such Test Period; provided that for purposes of calculating the ratio for each fiscal quarter ended on or prior to March 31, 2008, the amount of cash payments in respect of taxes and Consolidated Fixed Charges shall be calculated by multiplying the amounts of such cash payments in respect of taxes and Consolidated Fixed Charges made or accrued since July 1, 2007 by (i) in the case of the fiscal quarter ended September 30, 2007, 4, (ii) in the case of the fiscal quarter December 31, 2007, 2 and (iii) in the case of the fiscal quarter ended March 31, 2008, 1.33.

"**Consolidated Fixed Charges**" shall mean, for any period, the sum, without duplication, of:

(a) Consolidated Interest Expense for such period (excluding non-cash interest expense on the Subordinated Debt Loan following the Permitted Holdings Amalgamation);

(b) the principal amount of all scheduled amortization payments on all Indebtedness (including the principal component of all Capital Lease Obligations) of Canadian Borrower and its Subsidiaries for such period;

(c) Dividends of Canadian Borrower and its Subsidiaries on a consolidated basis paid in cash during such period as permitted by Section 6.08; and

(d) all dividends or distributions paid in respect of the interest in any Joint Venture Subsidiary or Logan to the holder (other than a Company) of such interest during such period.

"**Consolidated Indebtedness**" shall mean, as at any date of determination, the aggregate amount of all Indebtedness and all LC Exposure of Canadian Borrower and its Subsidiaries (other than (i) Indebtedness specified in clauses (g) and (h) (unless the lease giving rise to such Attributable Indebtedness is a Capital Lease) of the definition thereof, (ii) bankers' acceptances, letters of credit and similar credit arrangements with respect to which no reimbursement obligation has arisen, (iii) letters of credit permitted to be incurred under Section 6.01(p), and (iv) from and after the Permitted Holdings Amalgamation, the Subordinated Debt Loan) determined on a consolidated basis in accordance with GAAP.

"**Consolidated Interest Expense**" shall mean, for any period, the total consolidated interest expense of Canadian Borrower and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP plus, without duplication:

(a) imputed interest on Capital Lease Obligations and Attributable Indebtedness of Canadian Borrower and its Subsidiaries for such period;

(b) commissions, discounts and other fees and charges owed by Canadian Borrower or any of its Subsidiaries with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings for such period;

(c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by Canadian Borrower or any of its Subsidiaries for such period;

(d) all interest paid or payable with respect to discontinued operations of Canadian Borrower or any of its Subsidiaries for such period; and

(e) the interest portion of any deferred payment obligations of Canadian Borrower or any of its Subsidiaries for such period.

Consolidated Interest Expense shall be calculated on a Pro Forma Basis to give effect to any Indebtedness incurred, assumed or permanently repaid or extinguished during the relevant Test Period in connection with any Permitted Acquisitions and Asset Sales (other than any dispositions in the ordinary course of business, dispositions where the value of the assets disposed of is less than $15 million and Permitted Acquisitions where the amount of the Acquisition Consideration plus any Equity Interests constituting all or a portion of the purchase price is less than $15 million) as if such incurrence, assumption, repayment or extinguishing had been effected on the first day of such period.

"**Consolidated Net Income**" shall mean, for any period, the consolidated net income (or loss) of Canadian Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided, however, that:

(a) the net income (or loss) of any person in which any person other than the Canadian Borrower and its Subsidiaries has an ownership interest (which interest does not cause the net income of such other person to be consolidated into the net income of the Canadian Borrower and its Subsidiaries) shall be excluded, except to the extent actually received by the Canadian Borrower or any of its Subsidiaries during such period; and

(b) the net income of any Subsidiary of the Canadian Borrower other than a Loan Party that is subject to a prohibition on the payment of dividends or similar distributions by such Subsidiary shall be excluded to the extent of such prohibition.

For purposes of this definition of "**Consolidated Net Income**," Consolidated Net Income shall be reduced (to the extent not already reduced thereby) by the amount of any payments to or on behalf of Holdings made pursuant to Section 6.08(c).

“**Consolidated Tax Expense**” shall mean, for any period, the tax expense of Canadian Borrower and its Subsidiaries, for such period, determined on a consolidated basis in accordance with GAAP.

“**Contingent Obligation**” shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations (“**primary obligations**”) of any other person (the “**primary obligor**”) in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers’ acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (e) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term “Contingent Obligation” shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

“**Contribution, Intercompany, Contracting and Offset Agreement**” shall mean that certain Contribution, Intercompany, Contracting and Offset Agreement dated as of the date hereof by and among the Loan Parties (other than certain Foreign Subsidiaries), Collateral Agent and Funding Agent.

“**Contribution Notice**” shall mean a contribution notice issued by the Pensions Regulator under Section 38 or Section 47 of the Pensions Act 2004.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “**Controlling**” and “**Controlled**” shall have meanings correlative thereto.

“**Control Agreement**” shall mean, with respect to a Deposit Account, Securities Account, or Commodity Account (each as defined in the UCC as in effect on the date hereof in the State of New York), (i) located in the United States, an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s “Control” (within the meaning of the UCC) in such account, or (ii) located in other jurisdictions, agreements with regard to such accounts establishing and perfecting the First Priority Lien of the

Collateral Agent in such accounts, and effecting the arrangements set forth in Section 9.01 (to the extent required by such Section), and otherwise in form and substance reasonably satisfactory to the Collateral Agent.

"**Conversion Event**" shall mean (i) the occurrence of any Event of Default with respect to any Loan Party pursuant to Section 8.01(g) or (h), (ii) the declaration of the termination of any Commitment, or the acceleration of the maturity of any Revolving Loans, in each case pursuant to the last paragraph of Section 8.01 or (iii) the failure of any Borrower to pay any principal of, or interest on, Loans of any Class, any U.S./European Reimbursement Obligations or any Canadian Reimbursement Obligations on the Final Maturity Date).

"**Cost**" shall mean, with respect to Inventory, the lower of (a) cost computed on a weighted average basis in accordance with GAAP or (b) market value; provided, that for purposes of the calculation of the Borrowing Base, (i) the Cost of the Inventory shall not include: the portion of the cost of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Loan Party and (ii) notwithstanding anything to the contrary contained herein, the cost of the Inventory shall be computed in the same manner and consistent with the historical accounting practices of the Canadian Borrower and its Subsidiaries (it being understood that the Inventory Appraisal has been prepared, and each future Inventory Appraisal will be prepared, in a manner consistent with such practices).

"**Covenant Recovery Event**" shall mean, with respect to any Covenant Trigger Event at any time (a) no Default or Event of Default shall be outstanding and (b) Excess Availability shall be at least ten percent (10%) of the Total Commitment for a period of thirty (30) consecutive days then ended.

"**Covenant Trigger Event**" shall mean at any time (a) an Event of Default shall have occurred and/or (b) Excess Availability shall be less than (i) ten percent (10%) of the Total Commitment for a period of three consecutive Business Days, or (ii) ten percent (10%) of the Total Borrowing Base at any time; provided that if the occurrence of a Covenant Trigger Event under clause (b) shall be due solely to a fluctuation in currency exchange rates occurring within the two Business Day period immediately preceding such occurrence (and if no Borrowings have been made (excluding, for avoidance of doubt, any conversion or continuation of an existing Borrowing) or Letters of Credit issued hereunder during such two Business Day period), and one or more of the Borrowers, within two Business Days following receipt of such notice from the Funding Agent, repay Loans in an amount such that clause (b) is no longer applicable, a Covenant Trigger Event shall be deemed not to have occurred.

"**Credit Extension**" shall mean, as the context may require, (i) the making of a Loan by a Lender or (ii) the issuance of any Letter of Credit, or the extension or renewal of any existing Letter of Credit, or an amendment of any existing Letter of Credit that increases the amount or changes the drawing conditions thereof, by the Issuing Bank.

"**Debt Issuance**" shall mean the incurrence by Holdings or any of its Subsidiaries of any Indebtedness after the Closing Date (other than as permitted by Section 6.01).

"**Default**" shall mean an Event of Default or an event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

"**Default Rate**" shall have the meaning assigned to such term in Section 2.06(f).

"**Delegate**" shall mean any delegate, agent, attorney, trustee or co-trustee appointed by the Collateral Agent or any Receiver.

"**Disqualified Capital Stock**" shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to 180 days after the Final Maturity Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to 180 days after the Final Maturity Date, or (c) contains any mandatory repurchase obligation which may come into effect prior to 180 days after the Final Maturity Date; provided, however, that any Equity Interests that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change in control or an asset sale occurring prior to 180 days after the Final Maturity Date shall not constitute Disqualified Capital Stock if such Equity Interests provide that the issuer thereof will not redeem any such Equity Interests pursuant to such provisions prior to the repayment in full of the Obligations.

"**Distribution**" shall mean, collectively, with respect to each Loan Party, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Loan Party in respect of or in exchange for any or all of the Pledged Securities or Pledged Intercompany Notes.

"**Dividend**" with respect to any person shall mean that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such person outstanding (or any options or warrants issued by such person with respect to its Equity Interests). Without limiting the foregoing, "Dividends" with respect to any person shall also include all payments made or required to be made by such person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"**Documentation Agents**" shall have the meaning assigned to such term in the preamble hereto.

"Dollar Denominated Loan" shall mean each Loan denominated in dollars at the time of the incurrence thereof, including from and after the date of any conversion of a Loan into Dollar Denominated Loans pursuant to Section 2.09.

"**Dollar Equivalent**" shall mean, as to any amount denominated in any currency other than Dollars as of any date of determination, the amount of Dollars that would be required to purchase the amount of such currency based upon the Spot Selling Rate as of such date; provided that (i) for purposes of (x) determining compliance with Sections 2.01, 2.02, 2.10(b), 2.17, 2.18 and 10.10 and (y) calculating Fees pursuant to Section 2.05, the Dollar Equivalent of any amounts denominated in a currency other than dollars shall be calculated on the Closing Date or the date when a subsequent Loan is made or a prepayment is required to be made, and at such other times as the Funding Agent may elect (which may be on a daily basis), using the Spot Selling Rate therefor, (ii) for purposes of determining aggregate Revolving Exposure, the Dollar Equivalent of any Revolving Exposure denominated in a currency other than Dollars shall be calculated by the Funding Agent on a daily basis using the Spot Selling Rate in effect for such day and (iii) the Spot Selling Rate used to make determination of any Borrowing Base as reported in any currency other than dollars in any Borrowing Base Certificate shall be determined (x) initially by the Administrative Borrower, using the Spot Selling Rate that was in effect on the day immediately prior to the date on which such Borrowing Base Certificate is delivered to the Funding Agent pursuant to Section 5.01(j) or Section 9.03(a), and (y) thereafter, by the Funding Agent on a daily basis using the Spot Selling Rate as in effect from time to time, as determined by the Funding Agent; provided, that as to amounts determined in Dollars, the Dollar Equivalent of such amount shall be such amount in Dollars.

"**Dollars**" or "**dollars**" or "**$**" shall mean lawful money of the United States.

"EBITDA of Norf GmbH" shall mean, with respect to any period, the net income of Norf GmbH plus to the extent deducted in determining net income, interest expense, depreciation and amortization expense, tax expense and the aggregate amount of all other non-cash charges reducing such net income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in any future period) for such period minus the aggregate amount of all non-cash items increasing such net income (other than the accrual of revenue or recording of receivables in the ordinary course of business) for such period; provided that in calculating such EBITDA of Norf GmbH the following shall be excluded:

(i) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Norf GmbH or any of its Subsidiaries upon an asset sale (other than any dispositions in the ordinary course of business) by Norf GmbH or any of its Subsidiaries;

(ii) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period;

(iii) earnings or losses resulting from any reappraisal, revaluation or write-up or write-down of assets;

(iv) any one-time increase or decrease to net income that is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP;

(v) unrealized gains and losses with respect to Hedging Obligations for such period; and

(vi) any extraordinary gain (or extraordinary loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by Norf GmbH or any of its Subsidiaries during such period.

"Eligible Accounts" shall mean, on any date of determination of the Borrowing Base, all of the Accounts owned by each Borrower and each Borrowing Base Guarantor, as applicable (including Purchased Receivables acquired by Swiss Borrower pursuant to the Receivables Purchase Agreement except as otherwise provided below, but excluding other Accounts of Swiss Borrower), and reflected in the most recent Borrowing Base Certificate delivered by the Administrative Borrower to the Collateral Agent and the Funding Agent, except any Account to which any of the exclusionary criteria set forth below applies. Eligible Accounts shall not include any of the following Accounts:

(i) any Account in which the Collateral Agent, on behalf of the Secured Parties, does not have a valid, perfected First Priority Lien;

(ii) any Account that is not owned by a Borrower or a Borrowing Base Guarantor;

(iii) Accounts with respect to which the Account Debtor (other than a Governmental Authority) either (A) does not maintain its Chief Executive Office in an Applicable Eligible Jurisdiction, or (B) is not organized under the laws of an Applicable Eligible Jurisdiction or any state, territory, province or subdivision thereof;

(iv) any Account that is payable in any currency other than Dollars; provided, that (i) Eligible Canadian Accounts may also be payable in Canadian Dollars and (ii) Eligible European Accounts may also be payable in any Alternate Currency, Swiss Francs, Norwegian Kroner, Swedish Kronor, or Danish Kroner;

(v) any Account that does not arise from the sale of goods or the performance of services by such Borrower or Borrowing Base Guarantor (or, with respect only to Accounts acquired by Swiss Borrower pursuant to a Receivables Purchase Agreement, German Seller) in the ordinary course of its business;

(vi) any Account (a) upon which the right of the Borrower or Borrowing Base Guarantor, as applicable, to receive payment is contingent upon the fulfillment of any condition whatsoever unless such condition is satisfied or (b) as to which either the Borrower or Borrowing Base Guarantor, as applicable, is not able to bring suit or otherwise enforce its remedies against

the Account Debtor through judicial or administrative process or (c) that represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to the Borrower's or Borrowing Base Guarantor's, as applicable, completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer;

(vii) to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account, it being understood that the amount of any such defense, counterclaim, setoff or dispute shall be reflected in the applicable Borrowing Base Certificate and that the remaining balance of the Account shall be eligible;

(viii) any Account that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for merchandise sold to or services rendered to the applicable Account Debtor;

(ix) any Account with respect to which an invoice or electronic transmission constituting a request for payment has not been sent;

(x) any Account that arises from a sale to any director, officer, other employee or Affiliate of any Company;

(xi) to the extent any Company, including any Loan Party or Subsidiary, is liable for goods sold or services rendered by the applicable Account Debtor to any Company, including any Loan Party or Subsidiary, but only to the extent of the potential offset;

(xii) any Account that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional;

(xiii) any Account that is subject to the occurrence of any of the following:

(1) such Account has not been paid within one hundred twenty (120) days following its original invoice date or is more than sixty (60) days past due according to its original terms of sale; or

(2) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(3) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(xiv) any Account that is the obligation of an Account Debtor (other than an individual) if 50% or more of the Dollar amount of all Accounts owing by that Account Debtor are ineligible under clause (xiii) of this definition;

(xv) any Account as to which any of the representations or warranties in, or pursuant to, the Loan Documents, or the Receivables Purchase Agreement are untrue;

(xvi) to the extent such Account is evidenced by a judgment, Instrument or Chattel Paper;

(xvii) that portion of any Account in respect of which there has been, or should have been, established by any Borrower or Borrowing Base Guarantor or the German Seller a contra account, whether in respect of contractual allowances with respect to such Account, audit adjustment, anticipated discounts or otherwise;

(xviii) any Account on which the Account Debtor is a Governmental Authority where applicable law imposes any requirement (including any requirement of notice, acceptance or acknowledgment by the Governmental Authority) to constitute a valid assignment as against such Governmental Authority, unless the Borrower or Borrowing Base Guarantor, as applicable, has assigned its rights to payment of such Account to the Funding Agent (or in the case of Account acquired by the Swiss Borrower pursuant to the Receivables Purchase Agreement, unless the German Seller has assigned such rights to Swiss Borrower, and Swiss Borrower has further assigned such rights to Funding Agent) pursuant to the Assignment of Claims Act of 1940, as amended, in the case of a U.S. federal Governmental Authority or complied with such requirement pursuant to applicable law in the case of any other Governmental Authority (including, in the case of Canada, the Financial Administration Act);

(xix) Accounts that are subject to (a) extended retention of title arrangements (for example, *verlängerter Eigentumsvorbehalt*, including a processing clause, *Verarbeitungsklausel*) with respect to any part of the Inventory or goods giving rise to such Account or similar arrangements under any applicable law to the extent of a claim that validly survives by law or contract that can effectively be enforced pursuant to such title retention arrangements or (b) that are subject to an enforceable restriction on assignment;

(xx) with respect to Accounts of any Eligible U.K. Loan Party, Accounts with respect to which (i) the agreement evidencing such Accounts is not governed by the laws of Germany, Canada or any province thereof, England and Wales or any state in the United States, or the laws of such other jurisdictions acceptable to the Funding Agent in its Permitted Discretion (each, an "**Acceptable Governing Law**") or (ii) if governed by an Acceptable Governing Law, the requirements, if any, set forth on Schedule 1.01(c) hereto with respect to such Acceptable Governing Law (or the respective Accounts) are not satisfied;

(xxi) with respect to Accounts of any Eligible U.K. Loan Party, Accounts where the Account Debtor either maintains its Chief Executive Office or is organized under the laws of an Applicable European Jurisdiction, the United States or Canada and the requirements, if any, set forth on Schedule 1.01(c) hereto with respect to such Account Debtor in such jurisdiction have not been satisfied;

(xxii) which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to all Borrowers exceeds 15% (or, with regard to Account Debtors listed on Schedule 1.01(d), such higher amount as is set

forth on such Schedule) of the aggregate amount of Eligible Accounts of all Borrowers; provided that the amount excluded from Eligible Accounts because they exceed the foregoing percentage shall be determined by the Funding Agent based upon all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit;

(xxiii) any Account acquired by the Swiss Borrower pursuant to the Receivables Purchase Agreement that is a Disqualified Receivable (as defined therein);

(xxiv) any Account acquired by Swiss Borrower pursuant to a Receivables Purchase Agreement which is not in full force and effect or under which any party thereto has defaulted in its obligations thereunder or disaffirmed in writing its obligations thereunder; or

(xxv) any Account of the Swiss Borrower acquired pursuant to the Receivables Purchase Agreement with respect to which notice is required to have been given pursuant to the Swiss Security Agreement, unless such notice has been given in accordance therewith.

Notwithstanding the foregoing, no Account will be characterized as ineligible pursuant to any of the criteria set forth in paragraphs (iii), (iv), (xiii), (xiv), (xviii) through (xxv) above to the extent that the Account Debtor's obligations thereunder are insured pursuant to a credit insurance arrangement in form and substance, and with a creditworthy insurer, all of which is satisfactory to the Funding Agent in its sole and absolute discretion.

"**Eligible Assignee**" shall mean (a) any Revolving Lender, (b) an Affiliate of any Revolving Lender, (c) an Approved Fund of a Revolving Lender and (d) any other person approved by the Funding Agent, the Issuing Bank, the Swingline Lender and Administrative Borrower (each such approval not to be unreasonably withheld or delayed); provided that (x) no approval of Administrative Borrower shall be required during the continuance of a Default or prior to the earlier of (i) three months after the Closing Date or (ii) the completion of the primary syndication of the Commitments and Loans (as determined by the Arrangers), (y) "Eligible Assignee" shall not include Holdings or any of its Affiliates or Subsidiaries or any natural person and (z) each assignee Lender shall be subject to each other applicable requirement regarding Lenders hereunder, including, with regard to Canadian Lenders, Section 2.20 and, with regard to Lenders to Swiss Borrower, Sections 2.21, 3.23 and Section 11.04 (including Section 11.04(h)).

"**Eligible Canadian Accounts**" shall mean the Eligible Accounts owned by the Canadian Loan Parties.

"**Eligible Canadian Inventory**" shall mean the Eligible Inventory owned by the Canadian Loan Parties.

"**Eligible European Accounts**" shall mean the Eligible Accounts owned by an Eligible European Loan Party.

"**Eligible European Loan Party**" shall mean the U.K. Borrower, the Swiss Borrower, or any other Borrowing Base Guarantor incorporated in England and Wales.

"Eligible Inventory" shall mean Inventory consisting of goods, including raw materials and work in process, held for sale by any U.S. Borrower, any Canadian Loan Party, or any

Eligible U.K. Loan Party, in the ordinary course, but shall exclude any Inventory to which any of the exclusionary criteria set forth below applies. Eligible Inventory shall not include any Inventory of any U.S. Borrower, Canadian Loan Party, or any Eligible U.K. Loan Party that:

(i) the Collateral Agent, on behalf of Secured Parties, does not have a valid, perfected First Priority Lien on;

(ii) (1) is stored at a leased location, unless either (x) a Landlord Access Agreement has been delivered to the Collateral Agent, or (y) a Rent Reserve has been established with respect thereto or (2) is stored with a bailee or warehouseman (including Inventory stored or located at the Logan Location, whether Logan has possession as a warehouseman, bailee, consignee or otherwise) unless either (x) an acknowledged Bailee Letter has been delivered to the Collateral Agent or (y) a Rent Reserve has been established with respect thereto; provided that this clause (ii) shall not apply to any Inventory (A) constituting Vendor Managed Inventory in the aggregate for all such locations of less than $20 million, (B) at the Logan Location, so long as such Inventory is subject to a valid Bailee Letter in favor of the Collateral Agent for the benefit of the Secured Parties, in form and substance acceptable to the Collateral Agent, and the applicable Loan Party has filed appropriate UCC (or comparable) filings to perfect its interest in such Inventory, or (C) located in any jurisdiction outside of the United States or Canada where such agreements are not customary;

(iii) is placed on consignment, unless a valid consignment agreement which is reasonably satisfactory to Collateral Agent is in place with respect to such Inventory;

(iv) is covered by a negotiable document of title, unless such document has been delivered to the Collateral Agent with all necessary endorsements, free and clear of all Liens except those in favor of the Collateral Agent and the Lenders and landlords, carriers, bailees and warehousemen if clause (ii) above has been complied with;

(v) is to be returned to suppliers;

(vi) is obsolete, unsalable, shopworn, seconds, damaged or unfit for sale;

(vii) consists of display items, samples or packing or shipping materials, manufacturing supplies, work-in-process Inventory (other than work-in-process Inventory that is in saleable form as reflected in the most recent Inventory Appraisal) or replacement parts;

(viii) is not of a type held for sale in the ordinary course of any U.S. Borrower's, Eligible U.K. Loan Party's, or Canadian Loan Party's, as applicable, business;

(ix) breaches any of the representations or warranties pertaining to Inventory set forth in the Loan Documents;

(x) consists of Hazardous Material;

(xi) is not covered by casualty insurance maintained as required by Section 5.04;

(xii) is subject to any licensing arrangement the effect of which would be to limit the ability of Collateral Agent, or any person selling, leasing or otherwise disposing of, the Inventory on behalf of Collateral Agent, to complete or sell, lease or otherwise dispose of such Inventory in enforcement of the Collateral Agent's Liens, without further consent or payment to the licensor or any other third party;

(xiii) is subject to an asserted claim of infringement or other violation (whether as a result of an "invitation to license" or the like) of any third party's Intellectual Property Rights, but only to the extent of such claim;

(xiv) is not at a location within the United States, Canada, or England and Wales scheduled on Schedule 3.24 (as updated from time to time in accordance with Section 5.13), except in accordance with Section 5.13, unless in transit between locations permitted by Section 5.13 or as otherwise permitted by clause (xv);

(xv) is in transit with a common carrier from vendors and suppliers, provided Inventory in transit from vendors and suppliers may be included as eligible pursuant to this clause (xv) so long as (i) the Funding Agent shall have received evidence of satisfactory casualty insurance naming the Collateral Agent as loss payee and otherwise covering such risks as the Funding Agent may reasonably request, (ii) such Inventory is located in the United States, Canada or England and Wales, (iii) such Inventory is not "on-the-water"; and (iv) such Inventory is in transit for not more than 48 hours; provided that up to $10,000,000 of Inventory in transit by rail for longer periods may be included as "Eligible Inventory" and (v) the common carrier is not an Affiliate of the applicable vendor or supplier; or

(xvi) with respect to Inventory of any U.K. Borrower or any other Borrowing Base Guarantor incorporated in England and Wales, Inventory any part of which is subject to valid retention of title provisions to the extent of such claim.

"**Eligible Large Customer Swiss Accounts**" shall mean Eligible Swiss Accounts for which a "Large Customer" (as defined in the Receivables Purchase Agreement) is the Account Debtor.

"**Eligible Small Customer Swiss Accounts**" shall mean all Eligible Swiss Accounts other than Eligible Large Customer Swiss Accounts.

"**Eligible Swiss Accounts**" shall mean the Eligible Accounts purchased by Swiss Borrower from German Seller pursuant to the Receivables Purchase Agreement.

"**Eligible U.K. Accounts**" shall mean the Eligible Accounts owned by an Eligible U.K. Loan Party.

"**Eligible U.K. Inventory**" shall mean the Eligible Inventory owned by an Eligible U.K. Loan Party.

"**Eligible U.K. Loan Party**" shall mean the U.K. Borrower or any other Borrowing Base Guarantor incorporated in England and Wales.

“**Eligible U.S. Accounts**” shall mean the Eligible Accounts owned by the U.S. Borrowers.

“**Eligible U.S. Inventory**” shall mean the Eligible Inventory owned by the U.S. Borrowers.

“**Embargoed Person**” shall have the meaning assigned to such term in Section 6.21.

“**Environment**” shall mean the natural environment, including air (indoor or outdoor), surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources, the workplace or as otherwise defined in any Environmental Law.

“**Environmental Claim**” shall mean any claim, notice, demand, order, action, suit, proceeding or other communication alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Material at any location or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to health, safety or the Environment.

“**Environmental Law**” shall mean any and all treaties, laws, statutes, ordinances, regulations, rules, decrees, orders, judgments, consent orders, consent decrees, code or other legally binding requirements, and the common law, relating to protection of public health or the Environment, the Release or threatened Release of Hazardous Material, natural resources or natural resource damages, or occupational safety or health, and any and all Environmental Permits.

“**Environmental Permit**” shall mean any permit, license, approval, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

“**Equipment**” shall mean “equipment,” as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which such Person now or hereafter has rights.

“**Equity Interest**” shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

“**Equity Issuance**” shall mean, without duplication, (i) any issuance or sale by Holdings after the Closing Date of any Equity Interests (other than Preferred Stock) in Holdings (including

any Equity Interests (other than Preferred Stock) issued upon exercise of any warrant or option) or any warrants or options to purchase Equity Interests (other than Preferred Stock) or (ii) any contribution to the capital of Holdings.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"**ERISA Affiliate**" shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414 of the Code.

"**ERISA Event**" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the thirty (30) day notice period is waived by regulation); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the incurrence by any Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by any Company or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (g) the incurrence by any Company or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; (h) the receipt by any Company or its ERISA Affiliates of any notice, concerning the imposition of material Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (i) the "substantial cessation of operations" within the meaning of Section 4062(e) of ERISA with respect to a Plan; (j) the making of any amendment to any Plan which could result in the imposition of a lien or the posting of a bond or other security; and (k) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could reasonably be expected to result in a Material Adverse Effect.

"**EURIBOR Borrowing**" shall mean a Borrowing comprised of EURIBOR Loans.

"**EURIBOR Interest Period**" shall mean, with respect to any EURIBOR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months later (or, with regard only to a European Swingline Loan denominated in Euros, between 2 and 7 days), as Administrative Borrower may elect; provided that (a) if any EURIBOR Interest Period would end on a day other than a Business Day, such EURIBOR Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such EURIBOR Interest Period shall end on the immediately preceding Business

Day, (b) any EURIBOR Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such EURIBOR Interest Period) shall end on the last Business Day of the last calendar month of such EURIBOR Interest Period, (c) Administrative Borrower shall not select a EURIBOR Interest Period that would extend beyond the Final Maturity Date, (d) Administrative Borrower shall not select EURIBOR Interest Periods so as to require a payment or prepayment of any EURIBOR Loan during a EURIBOR Interest Period for such Loan and (e) any EURIBOR Borrowings (other than Borrowings of European Swingline Loans) made or continued during the period ending on the earlier of (x) three months following the Closing Date and (y) the completion of the primary syndication of the Commitments (as determined by the Arrangers), shall have a EURIBOR Interest Period of one month. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"**EURIBOR Loan**" shall mean any Revolving Loan or European Swingline Loan bearing interest at a rate determined by reference to the Adjusted EURIBOR Rate in accordance with the provisions of ARTICLE II.

"**EURIBOR Rate**" shall mean, with respect to any EURIBOR Borrowing for any Interest Period, the interest rate per annum determined by the Banking Federation of the European Union for deposits in Euro (for delivery on the first day of such Interest Period) with a term comparable to such Interest Period, determined as of approximately 11:00 a.m., Brussels time, on the second full TARGET Day preceding the first day of such Interest Period (as set forth by Reuters or any successor thereto or any other service selected by the Funding Agent which has been nominated by the Banking Federation of the European Union as an authorized information vendor for the purpose of displaying such rates); provided, however, that (i) if no comparable term for an Interest Period is available, the EURIBOR Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if the rate referenced above is not available, "EURIBOR Rate" shall mean, with respect to each day during each Interest Period pertaining to EURIBOR Borrowings comprising part of the same Borrowing, the rate per annum equal to the rate at which the Funding Agent (or such other bank or banks as may be designated by the Funding Agent in consultation with European Administrative Borrower) is offered deposits in Euros at approximately 11:00 a.m., Brussels time, two TARGET Days prior to the first day of such Interest Period, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of such EURIBOR Borrowing to be outstanding during such Interest Period (or such other amount as the Funding Agent may reasonably determine).

"**euro**" or "**Euro**" or " **€**" shall mean the single currency of the Participating Member States.

"Euro Denominated Loan" shall mean each Loan denominated in euros at the time of the incurrence thereof, unless and until converted into Dollar Denominated Loans pursuant to Section 2.09.).

"**Eurocurrency Borrowing**" shall mean a Borrowing comprised of Eurocurrency Loans.

"**Eurocurrency Interest Period**" shall mean, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with regard only to a European Swingline Loan denominated in GBP or Swiss francs, between 2 and 7 days), as Administrative Borrower may elect; provided that (a) if any Eurocurrency Interest Period would end on a day other than a Business Day, such Eurocurrency Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Eurocurrency Interest Period shall end on the immediately preceding Business Day, (b) any Eurocurrency Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Eurocurrency Interest Period) shall end on the last Business Day of the last calendar month of such Eurocurrency Interest Period, (c) Administrative Borrower shall not select a Eurocurrency Interest Period that would extend beyond the Final Maturity Date, (d) Administrative Borrower shall not select Eurocurrency Interest Periods so as to require a payment or prepayment of any Eurocurrency Loan during a Eurocurrency Interest Period for such Loans and (e) any Eurocurrency Borrowings (other than Borrowings of European Swingline Loans) made or continued during the period ending on the earlier of (x) three months following the Closing Date and (y) the completion of the primary syndication of the Commitments (as determined by the Arrangers), shall have a Eurocurrency Interest Period of one month. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"**Eurocurrency Loan**" shall mean any Revolving Loan or European Swingline Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of ARTICLE II.

"**Eurofoil**" shall mean Eurofoil Inc. (USA), a New York corporation.

"**European Administrative Borrower**" shall mean Novelis AG, or any successor entity serving in that role pursuant to Section 2.03(c).

"**European Borrower**" shall mean Swiss Borrower and U.K. Borrower.

"**European Borrowing Base**" shall mean the lesser of (i) the sum of the Swiss Borrowing Base plus the U.K. Borrowing Base and (ii) $325 million.

"**European Cash Pooling Arrangements**" shall mean the cash pooling arrangements operated by the Swiss Borrower and certain of the other Companies pursuant to the Novelis AG Cash Pooling Agreement and the Commerzbank Cash Pooling Agreement.

"**European LC Exposure**" shall mean at any time the sum of (a) the Dollar Equivalent of the aggregate undrawn amount of all outstanding European Letters of Credit at such time plus (b) the Dollar Equivalent of the aggregate principal amount of all European Reimbursement Obligations outstanding at such time. The European LC Exposure of any U.S./European Lender at any time shall mean its Pro Rata Percentage of the aggregate European LC Exposure at such time.

“**European Letter of Credit**” shall have the meaning assigned to such term in Section 2.18(a).

“**European Reimbursement Obligations**” shall mean each applicable Borrower’s obligations under Section 2.18(e) to reimburse LC Disbursements in respect of European Letters of Credit.

“**European Revolving Loan**” shall have the meaning assigned to such term in Section 2.01(a).

“**European Swingline Activation Date**” shall mean the date that the Funding Agent notifies the Administrative Borrower that the European Swingline is available to be utilized.

“**European Swingline Commitment**” shall mean the commitment of the European Swingline Lender to make loans pursuant to Section 2.17, as the same may be reduced from time to time pursuant to Section 2.07 or Section 2.17. The amount of the European Swingline Commitment shall initially be $25 million, but shall in no event exceed the U.S./European Revolving Commitment.

“**European Swingline Exposure**” shall mean at any time the aggregate principal amount at such time of all outstanding European Swingline Loans. The European Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage of the aggregate European Swingline Exposure at such time.

“**European Swingline Lender**” shall have the meaning assigned to such term in the preamble hereto.

“**European Swingline Loan**” shall mean any loan made by the European Swingline Lender pursuant to Section 2.17.

“**Event of Default**” shall have the meaning assigned to such term in Section 8.01.

“**Excess Amount**” shall have the meaning assigned to such term in Section 2.10.

“**Excess Availability**” shall mean, at any time, an amount, expressed in dollars, equal to (a) the lesser of (i) the Revolving Commitments of all of the Lenders and (ii) the Total Borrowing Base on the date of determination less (b) all outstanding Loans and LC Exposure.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

“**Excluded Collateral Subsidiary**” shall mean, at any date of determination, any Subsidiary designated as such in writing by Administrative Borrower to the Funding Agent that, together with all other Subsidiaries constituting Excluded Collateral Subsidiaries (i) contributed 1.0% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, (ii) had consolidated assets representing 1.0% or less of the consolidated total assets of Canadian Borrower and its Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements

have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, and (iii) is not a Loan Party. The Excluded Collateral Subsidiaries as of the Closing Date are listed on Schedule 1.01(e).

"**Excluded Subsidiaries**" shall mean Subsidiaries of Holdings that (i) are not Loan Parties and (ii) are not organized in a Principal Jurisdiction.

"**Excluded Taxes**" shall mean, with respect to the Agents, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), franchise taxes imposed on it (in lieu of net income taxes) and branch profits taxes imposed on it, by a jurisdiction (or any political subdivision thereof) as a result of the recipient being organized or having its principal office or, in the case of any Lender, its applicable lending office in such jurisdiction, (b) in the case of a Foreign Lender, any U.S. federal withholding tax that (i) is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office), except (x) to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from any Borrower with respect to such withholding tax pursuant to Section 2.15(a) or (y) if such Foreign Lender designates a new foreign lending office or is an assignee pursuant to a request by any Borrower under Section 2.16; provided that this subclause (b)(i) shall not apply to any Tax imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 2.14(d), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.15(e), or (c) taxes imposed under Part XIII of the Income Tax Act (Canada) on payments made hereunder to or for the benefit of a Canadian Lender who fails to qualify as a Canadian Resident, unless any of the circumstances described in Section 2.20(a)(i), (ii) or (iii) apply.

"**Executive Order**" shall have the meaning assigned to such term in Section 3.22.

"**Existing Letter of Credit**" shall mean the letters of credit referred to on Schedule 2.18.

"**Existing Lien**" shall have the meaning assigned to such term in Section 6.02(c).

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Funding Agent from three federal funds brokers of recognized standing selected by it.

"**Fee Letter**" shall mean that certain fee letter among the Canadian Borrower, the Arrangers, ABN AMRO, and UBS Loan Finance LLC, dated as of May 25, 2007, as the same may be amended, amended and restated, supplemented, revised or modified from time to time.

"**Fees**" shall mean the fees payable hereunder or under the Fee Letter.

"**Final Maturity Date**" shall mean July 6, 2012.

“**Financial Officer**” of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

“**Financial Support Direction**” shall mean a financial support direction issued by the Pensions Regulator under Section 43 of the Pensions Act 2004.

“**FIRREA**” shall mean the Federal Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

“**First Priority**” means, with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is the most senior Lien to which such Collateral is subject, other than Permitted Liens of the type described in Section 6.02(a), (b), (c), (d), (f), (g), (h), (i), (j), (k) (to the extent provided in the Intercreditor Agreement), (n), (o), (q), (r), (s) and (t) which have priority over the Liens granted pursuant to the Security Documents (and in each case, subject to the proviso to Section 6.02).

“**Foreign Guarantee**” shall have the meaning assigned to such term in Section 7.01.

“**Foreign Lender**” shall mean any Lender that is not, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation, partnership or other entity treated as a corporation or partnership created or organized in or under the laws of the United States, or any political subdivision thereof, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or a trust that properly elected to be treated as a United States person.

“**Foreign Plan**” shall mean any pension or other employee benefit or retirement plan, program, policy, arrangement or agreement maintained or contributed to by any Company with respect to employees employed outside the United States.

“**Foreign Subsidiary**” shall mean a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof or the District of Columbia.

“**Fronting Fee**” shall have the meaning assigned to such term in Section 2.05(c).

“**Fund**” shall mean any person that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

“**Funded Specified Foreign Currency Participation**” shall mean, with respect to any Participating Specified Foreign Currency Lender relating to Specified Foreign Currency Loans funded by LaSalle Bank N.A., (i) the aggregate amount paid by such Participating Specified Foreign Currency Lender to LaSalle Bank N.A. pursuant to Section 12.02 of this Agreement in respect of such Participating Specified Foreign Currency Lender’s participation in the principal amount of Specified Foreign Currency Loans funded by LaSalle Bank N.A. minus (ii) the aggregate amount paid to such Participating Specified Foreign Currency Lender by LaSalle Bank N.A. pursuant to Section 12.02 of this Agreement in respect of its participation in the principal

amount of Specified Foreign Currency Loans funded by LaSalle Bank N.A., excluding in each case any payments made in respect of interest accrued on the Specified Foreign Currency Loans funded by LaSalle Bank N.A. LaSalle Bank N.A.'s Funded Specified Foreign Currency Participation in any Specified Foreign Currency Loans funded by LaSalle Bank N.A. shall be equal to the outstanding principal amount of such Specified Foreign Currency Loans minus the total Funded Specified Foreign Currency Participation of all other Lenders therein.

"**Funding Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X; provided that with respect to the Canadian Revolving Loans made available to the Canadian Borrower hereunder (including with respect to Canadian Letters of Credit), references in this Agreement and the other Loan Documents to the Funding Agent shall be deemed a reference to the Canadian Funding Agent.

"**GAAP**" shall mean generally accepted accounting principles in the United States applied on a consistent basis.

"**GBP**" or "**£**" shall mean lawful money of the United Kingdom.

"GBP Denominated Loan" shall mean each Loan denominated in GBP at the time of the incurrence thereof, unless and until converted into Dollar Denominated Loans pursuant to Section 2.09.

"German Guarantor" shall mean each Subsidiary of Holdings organized in Germany party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Germany that is required to become a Guarantor pursuant to the terms hereof.

"**German Security Agreement**" shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-5-1 to 7 among the German Guarantors and the Collateral Agent for the benefit of the Secured Parties.

"German Seller" shall mean Novelis Deutschland GmbH, a company organized under the laws of Germany (including in its roles as seller and collection agent under the Receivables Purchase Agreement).

"**Governmental Authority**" shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Governmental Real Property Disclosure Requirements**" shall mean any Requirement of Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, of the actual or threatened presence or Release in or

into the Environment, or the use, disposal or handling of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, leased, mortgaged, assigned or transferred.

"**Guarantee Payment**" shall have the meaning assigned to such term in Section 7.12(b).

"**Guaranteed Obligations**" shall have the meaning assigned to such term in Section 7.01.

"**Guarantees**" shall mean the guarantees issued pursuant to ARTICLE VII by the Guarantors.

"**Guarantors**" shall mean each Borrower, Holdings and the Subsidiary Guarantors (including each U.S. Borrower, the Canadian Borrower, the U.K. Borrower, the Swiss Borrower, Holdings and each other Canadian Guarantor, each Swiss Guarantor, each U.K. Guarantor, the German Guarantor, the Irish Guarantor, the Brazilian Guarantor, and each other Subsidiary of Holdings that is required to become a Guarantor hereunder, and including in any case each Borrowing Base Guarantor).

"**Hazardous Materials**" shall mean the following: hazardous substances; hazardous wastes; polychlorinated biphenyls ("**PCBs**") or any substance or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant or contaminant or chemicals, wastes, materials, compounds, constituents or substances, subject to regulation under or which can give rise to liability under any Environmental Laws.

"**Hedging Agreement**" shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging a Company's exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices, in each case not for speculative purposes.

"**Hedging Obligations**" shall mean obligations under or with respect to Hedging Agreements.

"**Hindalco Acquisition**" shall have the meaning assigned to such term in the recitals hereto.

"**Holdings**" shall mean (i) prior to the consummation of the Permitted Holdings Amalgamation, AV Aluminum, and (ii) upon and after the consummation of the Permitted Holdings Amalgamation, AV Metals.

"**Immaterial Subsidiary**" shall mean, at any date of determination, any Subsidiary designated as such in writing by Administrative Borrower to the Funding Agent that, together with all other Subsidiaries constituting Immaterial Subsidiaries (i) contributed 5.0% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a)

or 5.01(b) prior to the date of determination, (ii) had consolidated assets representing 5.0% or less of the consolidated total assets of Canadian Borrower and its Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, and (iii) is not a Loan Party. The Immaterial Subsidiaries as of the Closing Date are listed on Schedule 1.01(f).

"**Increase Effective Date**" shall have the meaning assigned to such term in Section 2.23(a).

"**Increase Joinder**" shall have the meaning assigned to such term in Section 2.23(c).

"**Indebtedness**" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or advances; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than ninety (90) days (other than such overdue trade accounts payable being contested in good faith and by proper proceedings, for which appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP or other applicable accounting standards)); (e) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; (f) all Capital Lease Obligations, Purchase Money Obligations and synthetic lease obligations of such person; (g) all Hedging Obligations to the extent required to be reflected on a balance sheet of such person; (h) all Attributable Indebtedness of such person; (i) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions; (j) all obligations of such person under any Securitization Facility; and (k) all Contingent Obligations of such person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor.

"**Indemnified Taxes**" shall mean all Taxes other than Excluded Taxes.

"**Indemnitee**" shall have the meaning assigned to such term in Section 11.03(b).

"**Information**" shall have the meaning assigned to such term in Section 11.12.

"**Initial U.S. Borrower**" shall have the meaning assigned to such term in the preamble hereto.

"**Instruments**" shall mean all "instruments," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which any Person now or hereafter has rights.

"**Insurance Policies**" shall mean the insurance policies and coverages required to be maintained by each Loan Party which is an owner of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 5.04 and all renewals and extensions thereof.

"**Insurance Requirements**" shall mean, collectively, all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon each Loan Party which is an owner of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

"**Intellectual Property**" shall have the meaning assigned to such term in Section 3.06(a).

"**Interbank Rate**" shall mean, for any period, (i) in respect of Loans denominated in dollars, the Federal Funds Effective Rate, and (ii) in respect of Loans denominated in any other currency, the Funding Agent's cost of funds for such period.

"**Intercompany Note**" shall mean a promissory note substantially in the form of Exhibit P, or such other form as may be agreed to by the Funding Agent in its sole discretion.

"**Intercreditor Agreement**" shall mean that certain Intercreditor Agreement dated as of the date hereof by and among the Companies party thereto, Administrative Agent, Collateral Agent, the other Agents party thereto, Term Loan Administrative Agent, Term Loan Collateral Agent and the other Term Loan Agents under the Term Loan Documents party thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Interest Election Request**" shall mean a request by Administrative Borrower to convert or continue a Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit E.

"**Interest Payment Date**" shall mean (a) with respect to any Base Rate Loan (including any Swingline Loan), the last Business Day of each month to occur during any period in which such Loan is outstanding, (b) with respect to any Eurocurrency Loan, EURIBOR Loan or BA Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Loan, EURIBOR Loan or BA Rate Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Revolving Loan or Swingline Loan, the Final Maturity Date or such earlier date on which the Revolving Commitments are terminated, as the case may be.

"**Interest Period**" shall mean (a) in the case of any Eurocurrency Loan, the applicable Eurocurrency Interest Period, (b) in the case of any EURIBOR Loan, the applicable EURIBOR Interest Period and (c) in the case of any BA Rate Loan, the applicable BA Interest Period.

"**Inventory**" shall mean all "inventory," as such term is defined in the UCC as in effect on the date hereof in the State of New York, wherever located, in which any Person now or hereafter has rights.

"**Inventory Appraisal**" shall mean (a) on the Closing Date, the appraisal prepared by Sector 3 dated June 12, 2007, and (b) thereafter, the most recent inventory appraisal conducted by an independent appraisal firm and delivered pursuant to Section 9.02 hereof.

"**Investments**" shall have the meaning assigned to such term in Section 6.04.

"Irish Guarantor" shall mean each Subsidiary of Holdings organized in Ireland party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Ireland that is required to become a Guarantor pursuant to the terms hereof.

"**Irish Security Agreement**" shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-6-1 to 5 among the Irish Guarantors and the Collateral Agent for the benefit of the Secured Parties.

"**Issuing Bank**" shall mean, as the context may require, (a) U.S./European Issuing Bank; or (b) Canadian Issuing Bank; or (c) collectively, all of the foregoing.

"**Issuing Country**" shall have the meaning assigned to such term in Section 11.19(a).

"**Joinder Agreement**" shall mean a joinder agreement substantially in the form of Exhibit F, or such other form as may be agreed to by the Funding Agent in its sole discretion.

"**Joint Venture**" shall mean any person (a) that is not a direct or indirect Subsidiary of Holdings, and (b) in which Canadian Borrower, in the aggregate, together with its Subsidiaries, is directly or indirectly, the beneficial owner of 5% or more of any class of Equity Interests of such person.

"**Joint Venture Subsidiary**" shall mean each of (i) Aluminum Company of Malaysia Berhard (Malaysia), (ii) NKL and (iii) any other person that is a Subsidiary in which persons other than Holdings or its Affiliates own 10% or more of the Equity Interests of such person, excluding Logan and Norf GmbH.

"**Judgment Currency**" shall have the meaning assigned to such term in Section 11.18(a).

"**Judgment Currency Conversion Date**" shall have the meaning assigned to such term in Section 11.18(a).

"**Land Registry**" shall mean the Land Registry of England and Wales.

"**Landlord Access Agreement**" shall mean a Landlord Access Agreement, substantially in the form of Exhibit G, or such other form as may reasonably be acceptable to the Funding Agent.

“**LC Disbursement**” shall mean a payment or disbursement made by the Issuing Bank pursuant to a drawing under a Letter of Credit.

“**LC Exposure**” shall mean at any time the sum of (a) U.S./European LC Exposure plus (b) Canadian LC Exposure.

“**LC Participation Fee**” shall have the meaning assigned to such term in Section 2.05(c).

“**LC Request**” shall mean a request by Administrative Borrower in accordance with the terms of Section 2.18(b) and substantially in the form of Exhibit H, or such other form as shall be approved by the Funding Agent.

“**Leases**” shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

“**Lender Addendum**” shall mean with respect to any Lender on the Closing Date, a lender addendum in the form of Exhibit I, to be executed and delivered by such Lender on the Closing Date as provided in Section 11.15, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Lenders**” shall mean (a) the financial institutions that have become a party hereto pursuant to a Lender Addendum and (b) any financial institution that has become a party hereto pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to be a party hereto pursuant to an Assignment and Assumption. Unless the context clearly indicates otherwise, the term “Lenders” shall include (i) the Swingline Lender and (ii) each Canadian Lender (including any Affiliate of a Lender that is acting as a Canadian Lender).

“**Letter of Credit**” shall mean any (i) Standby Letter of Credit and (ii) Commercial Letter of Credit, in each case, issued (or deemed issued) or to be issued by an Issuing Bank for the account of any Borrower pursuant to Section 2.18, including any U.S./European Letter of Credit and any Canadian Letter of Credit.

“**Letter of Credit Expiration Date**” shall mean the date which is five (5) Business Days prior to the Final Maturity Date.

“**LIBOR Rate**” shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, the rate per annum determined by the Funding Agent to be the arithmetic mean of the offered rates for deposits in the relevant Approved Currency with a term comparable to such Interest Period that appears on the Reuters Screen LIBOR01 Page (as defined below) at approximately 11:00 a.m., London, England time, on the second full Business Day preceding the first day of such Interest Period; provided, however, that (i) if no comparable term for an Interest Period is available, the LIBOR Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if there

shall at any time no longer exist a Reuters Screen LIBOR01 Page, "LIBOR Rate" shall mean, with respect to each day during each Interest Period pertaining to Eurocurrency Borrowings comprising part of the same Borrowing, the rate per annum equal to the rate at which the Funding Agent is offered deposits in the relevant Approved Currency at approximately 11:00 a.m., London, England time, two (2) Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of such Eurocurrency Borrowing to be outstanding during such Interest Period (or such other amount as the Funding Agent may reasonably determine). "**Reuters Screen LIBOR01 Page**" shall mean the display designated as Reuters Screen LIBOR01 Page (or other appropriate page if the relevant Approved Currency does not appear on such page, or such other page as may replace such page on such service for the purpose of displaying the rates at which the relevant Approved Currency deposits are offered by leading banks in the London interbank deposit market).

"**Lien**" shall mean, with respect to any property, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge, assignment, hypothecation, security interest or similar encumbrance of any kind or any arrangement to provide priority or preference in respect of such property or any filing of any financing statement or any financing change statement under the UCC, the PPSA or any other similar notice of lien under any similar notice or recording statute of any Governmental Authority (other than any unauthorized notice or filing filed after the Closing Date for which there is not otherwise any underlying lien or obligation, so long as the Borrowers are (if aware of same) using commercially reasonable efforts to cause the removal of same), including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and any agreement to give any of the foregoing; (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property; and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan Documents**" shall mean this Agreement, any Borrowing Base Certificate, the Intercreditor Agreement, the Contribution, Intercompany, Contracting and Offset Agreement, the Notes (if any), the Security Documents, each Foreign Guaranty, the Fee Letter, and all other pledges, powers of attorney, consents, assignments, certificates, agreements or documents, whether heretofore, now or hereafter executed by or on behalf of any Loan Party for the benefit of any Agent or any Lender in connection with this Agreement.

"**Loan Parties**" shall mean Holdings, the Borrowers and the Subsidiary Guarantors.

"**Loans**" shall mean, as the context may require, a Revolving Loan or a Swingline Loan.

"**Logan**" shall mean Logan Aluminum Inc., a Delaware corporation.

"**Logan Location**" shall mean the premises of Logan Aluminum Inc., Route 431, North Russellville, Kentucky 42276.

“**Mandatory Cost**” shall mean the per annum percentage rate calculated by the Funding Agent in accordance with Annex II.

“**Margin Stock**” shall have the meaning assigned to such term in Regulation U.

“**Material Adverse Effect**” shall mean (a) a material adverse effect on the business, property, results of operations, or financial condition of the Loan Parties and their Subsidiaries, taken as a whole; (b) material impairment of the ability of the Loan Parties to perform their payment and other material obligations under the Loan Documents; (c) material impairment of the rights of or benefits or remedies available to the Lenders or the Collateral Agent under the Loan Documents, taken as a whole; or (d)(i) a material adverse effect on the Revolving Credit Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(i) taken as a whole, or (ii) a material adverse effect on the Term Loan Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(ii) taken as a whole.

“**Material Indebtedness**” shall mean (a) Indebtedness under the Term Loan Documents and any Permitted Term Loan Facility Refinancings thereof, (b) Indebtedness under the Senior Notes, the Subordinated Debt Loan and any Permitted Refinancings thereof and (c) any other Indebtedness (other than the Loans and Letters of Credit, and other than intercompany Indebtedness of the Companies permitted hereunder) of the Loan Parties in an aggregate outstanding principal amount exceeding $50 million.

“**Material Subsidiary**” shall mean any Subsidiary of Canadian Borrower that is not an Immaterial Subsidiary.

“**Maximum Rate**” shall have the meaning assigned to such term in Section 11.14.

“**Maximum Term Loan Facility Amount**” shall mean, on any date of determination, an amount equal to the sum of (i) $960 million plus (ii) to the extent used to refund, replace or refinance Indebtedness of any Loan Party and to pay related fees, expenses, interest, premiums and make-whole amounts, $400 million.

“**Minimum Currency Threshold**” shall mean (v) with regard to Dollar Denominated Loans, (i) an integral multiple of $1.0 million and not less than $5.0 million for ABR Loans and (ii) an integral multiple of $1.0 million and not less than $5.0 million for Eurocurrency Loans, (w) with regard to Canadian Dollar Denominated Loans, (i) an integral multiple of Cdn.$1.0 million and not less than Cdn.$5.0 million for Canadian Base Rate Loans and (ii) an integral multiple of Cdn.$1.0 million and not less than Cdn.$5.0 million for BA Rate Loans, (x) with regard to Euro Denominated Loans, an integral multiple of €1.0 million and not less than €5.0 million and (y) with regard to GBP Denominated Loans, not less than GBP2.5 million and, if greater, an integral multiple of GBP1.0 million.

“**Moody’s**” shall mean Moody’s Investors Service, Inc.

“**Mortgage**” shall mean an agreement, including, but not limited to, a mortgage, charge, deed of trust, deed of hypothec or any other document, creating and evidencing a Lien on a Mortgaged Property, which shall be substantially in the form of Exhibit J or, subject to the terms of the Intercreditor Agreement, other form reasonably satisfactory to the Collateral Agent, in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign law.

“**Mortgaged Property**” shall mean (a) each Real Property identified as a Mortgaged Property on Schedule 8(a) to the Perfection Certificate dated the Closing Date, (b) each future Real Property covered by the terms of any Mortgage, and (c) each Real Property, if any, which shall be subject to a Mortgage (or other Lien created by a Security Document) delivered after the Closing Date pursuant to Section 5.11(c).

“**Multiemployer Plan**” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which any Company or any ERISA Affiliate is then making or accruing an obligation to make contributions; (b) to which any Company or any ERISA Affiliate has within the preceding five plan years made contributions; or (c) with respect to which any Company could incur liability.

“**Net Cash Proceeds**” shall mean:

(a) with respect to any Asset Sale, the cash proceeds received by Holdings or any of its Subsidiaries (including cash proceeds subsequently received (as and when received by Holdings or any of its Subsidiaries) in respect of non-cash consideration initially received) net of (without duplication) (i) selling expenses (including reasonable brokers’ fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and Administrative Borrower’s good faith estimate of income taxes paid or payable in connection with such sale and repatriation Taxes that are or would be payable in connection with any sale by a Foreign Subsidiary); (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations associated with such Asset Sale or (y) any other liabilities retained by Holdings or any of its Subsidiaries associated with the properties sold in such Asset Sale (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); (iii) Administrative Borrower’s good faith estimate of payments required to be made with respect to unassumed liabilities relating to the properties sold within ninety (90) days of such Asset Sale (provided that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities within ninety (90) days of such Asset Sale, such cash proceeds shall constitute Net Cash Proceeds); (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money (other than the Term Loan) which is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such properties); and (v) so long as any Term Loans remain outstanding, amounts required to be prepaid under the Term Loan Documents from the proceeds of Term Loan Priority Collateral (provided that, in

the case of an Asset Sale consisting of a sale or other disposition of all or substantially all of the property or assets or business of a Loan Party or its Subsidiaries, or the Equity Interests of a Subsidiary of a Loan Party, this clause (v) shall be limited to that portion of the cash proceeds in excess of the net book value of Revolving Credit Priority Collateral which is subject to such Asset Sale);

(b) with respect to any Debt Issuance or any Preferred Stock Issuance, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith; and

(c) with respect to any Equity Issuance or any other issuance of Equity Interests (other than Preferred Stock) by Holdings, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith; and

(d) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of (i) all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event; and (ii) so long as any Term Loans remain outstanding, amounts required to be prepaid under the Term Loan Documents in respect of cash insurance proceeds, condemnation awards and other compensation received in respect of Term Loan Priority Collateral;

provided, however, that (i) Net Cash Proceeds arising from any Asset Sale, Preferred Stock Issuance, or Casualty Event by or applicable to a non-Wholly Owned Subsidiary shall equal the amount of such Net Cash Proceeds calculated as provided above less the percentage thereof equal to the percentage of any Equity Interests of such non-Wholly Owned Subsidiary not owned by Holdings and its Subsidiaries and (ii) so long as the Term Loans remain outstanding (x) in the case of an Asset Sale consisting of a sale of Equity Interests of a Subsidiary, the Net Cash Proceeds of such sale shall be deemed to equal the book value of Revolving Credit Priority Collateral included in such sale as of the date of such sale and (y) in the case of an Asset Sale consisting of a sale or other disposition of all or substantially all of the property and assets or business of a Loan Party or its Subsidiaries, the net cash proceeds of any such sale shall be deemed to equal the book value of the Revolving Credit Priority Collateral included in such sale (and the expenses relating to such Asset Sale shall be allocated proportionately among the Term Loan Priority Collateral and the Revolving Credit Priority Collateral).

"**Net Recovery Cost Percentage**" shall mean the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the recovery on the aggregate amount of the Inventory at such time on a "net orderly liquidation value" basis as set forth in the most recent Inventory Appraisal received by Collateral Agent in accordance with Section 9.02, net of liquidation expenses, commissions and other expenses reasonably anticipated in the disposition of such assets, and (b) the denominator of which is the original Cost of the aggregate amount of the Inventory subject to appraisal.

"NKL" shall mean Novelis Korea Limited.

“Non-Dollar Denominated Loan” shall mean any Loan that is not a Dollar Denominated Loan.

“**Non-Guarantor Subsidiary**” shall mean each Subsidiary that is not a Guarantor.

“**Norf GmbH**” shall mean Aluminium Norf GmbH, a limited liability company (GmbH) organized under the laws of Germany.

“**Notes**” shall mean any notes evidencing the Revolving Loans or Swingline Loans issued pursuant to this Agreement, if any, substantially in the form of Exhibit K-1, K-2 or K-3.

“**Novelis AG Cash Pooling Agreement**” shall mean a Cash Management Agreement entered into among Novelis AG and certain “European Affiliates” (as identified therein) dated 1 February 2007, together with all ancillary documentation thereto.

“**Novelis Corporation**” shall mean Novelis Corporation, a Texas corporation.

“**Novelis Inc.**” shall mean Novelis Inc., a corporation formed under the Canada Business Corporations Act.

“**Obligation Currency**” shall have the meaning assigned to such term in Section 11.18(a).

“**Obligations**” shall mean (a) obligations of the Borrowers and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing (and interest that would have accrued but for such proceeding) during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrowers and the other Loan Parties under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of Reimbursement Obligations, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrowers and the other Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrowers and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents.

“**OFAC**” shall have the meaning assigned to such term in Section 3.22.

“**Officers’ Certificate**” shall mean a certificate executed by a Responsible Officer in his or her official (and not individual) capacity.

“**Organizational Documents**” shall mean, with respect to any person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such

person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person and (v) in any other case, the functional equivalent of the foregoing.

"**Other Taxes**" shall mean all present or future stamp, recording, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Overadvance**" shall have the meaning assigned to such term in Section 10.10.

"**Parent Guarantor**" shall mean (i) prior to the consummation of the Permitted Holdings Amalgamation, AV Aluminum, and (ii) upon and after the consummation of the Permitted Holdings Amalgamation, AV Metals.

"**Participant**" shall have the meaning assigned to such term in Section 11.04(d).

"**Participating Member States**" shall mean the member states of the European Communities that adopt or have adopted the euro as their lawful currency in accordance with the legislation of the European Union relating to European Monetary Union.

"**Participating Specified Foreign Currency Lender**" shall have the meaning assigned to such term in Section 12.01(a). The Participating Specified Foreign Currency Lenders as of the Closing Date are set forth in Schedule 1.01(h). No additional Participating Specified Foreign Currency Lenders shall be permitted without the consent of LaSalle Bank N.A.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"**Pensions Regulator**" shall mean the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.

"**Perfection Certificate**" shall mean, individually and collectively, as the context may require, each certificate of a Loan Party in the form of Exhibit L-1 or any other form approved by the Collateral Agent, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

"**Perfection Certificate Supplement**" shall mean a certificate supplement in the form of Exhibit L-2 or any other form approved by the Collateral Agent.

"**Permitted Acquisition**" shall mean any Acquisition, if each of the following conditions is met:

(i) no Default is then continuing or would result therefrom;

(ii) no Company shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness of the related seller or the business, person or properties acquired, except to the extent permitted under Section 6.01, and any other such Indebtedness not permitted to be assumed or otherwise supported by any Company hereunder shall be paid in full or released as to the business, persons or properties being so acquired on or before the consummation of such acquisition;

(iii) the person or business to be acquired shall be, or shall be engaged in, a business of the type that the Loan Parties and the Subsidiaries are permitted to be engaged in under Section 6.15, and the person or business and any property acquired in connection with any such transaction shall be free and clear of any Liens, other than Permitted Liens;

(iv) the Board of Directors of the person to be acquired shall not have indicated publicly its opposition to the consummation of such acquisition (which opposition has not been publicly withdrawn);

(v) all transactions in connection therewith shall be consummated in all material respects in accordance with all applicable Requirements of Law;

(vi) with respect to any transaction involving Acquisition Consideration of more than $25 million, unless the Funding Agent shall otherwise agree, the Administrative Borrower shall have provided the Funding Agent with (A) ten (10) Business Days' prior written notice of such transaction, which notice shall describe in reasonable detail the terms and conditions of such transaction and the person or business to be acquired and (B) all such other information and data relating to such transaction or the person or business to be acquired as may be reasonably requested by the Funding Agent;

(vii) the property acquired in connection with any such transaction shall be made subject to the Lien of the Security Documents, and any person acquired in connection with any such transaction shall become a Guarantor, in each case, to the extent required under, and within the relevant time periods provided in, Section 5.11, on terms reasonably satisfactory to the Agents, and the Agents shall have received all opinions, certificates, lien search results and other documents in connection therewith reasonably requested by the Agents;

(viii) with respect to any transaction involving Acquisition Consideration that, when added to the fair market value of Equity Interests, including Equity Interests of Holdings, constituting purchase consideration, exceeds $10 million, the Administrative Borrower shall have delivered to the Funding Agent an Officers' Certificate certifying that (A) such transaction complies with this definition and (B) such transaction could not reasonably be expected to result in a Material Adverse Effect; and

(ix) either (A) the Availability Conditions are satisfied or (B) the Acquisition Consideration for such acquisition shall not exceed $25 million, and the aggregate amount of the Acquisition Consideration for all Permitted Acquisitions since the Closing

Date made when the Availability Conditions are not satisfied shall not exceed $50 million.

"**Permitted Discretion**" shall mean the commercially reasonable exercise of the Funding Agent's (or the Canadian Funding Agent's) good faith credit judgment in accordance with customary business practices for comparable asset-based lending transactions in the metals industry in consideration of any factor that is reasonably likely to (i) materially and adversely affect the value of any Revolving Credit Priority Collateral, the enforceability or priority of the Liens thereon or the amount that the Collateral Agent, the other Agents and the Lenders would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation thereof, or (ii) suggest that any collateral report or financial information delivered to Collateral Agent, any other Agent or the Lenders by any Person on behalf of any Borrower or Borrowing Base Guarantor is incomplete, inaccurate or misleading in any material respect. In exercising such commercially reasonable credit judgment, the Funding Agent or the Canadian Funding Agent, as applicable, may consider, without duplication, such factors already included in or tested by the definition of Eligible Accounts or Eligible Inventory, as well as any of the following: (i) changes after the Closing Date in any material respect in collection history and dilution or collectibility with respect to the Accounts; (ii) changes after the Closing Date in any material respect in demand for, pricing of, or product mix of Inventory; (iii) changes after the Closing Date in any material respect in any concentration of risk with respect to the respective Borrower's or Borrowing Base Guarantor's Accounts or Inventory; and (iv) any other factors arising after the Closing Date that change in any material respect the credit risk of lending to the Borrowers on the security of the Borrowers' and the Borrowing Base Guarantors' (as applicable) Accounts or Inventory.

"**Permitted Factoring Facility**" shall mean a sale of Accounts on a discounted basis by any Company that is not a Borrower or Borrowing Base Guarantor and is not organized under the laws of, and does not conduct business in, a Principal Jurisdiction, so long as (i) no Loan Party has any obligation, contingent or otherwise in connection with such sale (other than to deliver the Accounts purported to be sold free and clear of any encumbrance), and (ii) such sale is for cash and fair market value.

"**Permitted Holdings Amalgamation**" shall mean the amalgamation of AV Aluminum and the Canadian Borrower on a single occasion following the Closing Date; provided that (i) no Default exists or would result therefrom, (ii) the person resulting from such amalgamation shall be named Novelis Inc., and shall be a corporation formed under the Canada Business Corporations Act (such resulting person, the "**Successor Canadian Borrower**"), and the Successor Canadian Borrower shall expressly confirm its obligations as the Canadian Borrower under this Agreement and the other Loan Documents to which the Canadian Borrower is a party pursuant to a confirmation in form and substance reasonably satisfactory to the Funding Agent, (iii) immediately upon consummation of such amalgamation, AV Metals shall (A) be an entity organized or existing under the laws of Canada, (B) directly own 100% of the Equity Interests in the Successor Canadian Borrower, (C) execute a supplement or joinder to this Agreement in form and substance reasonably satisfactory to the Funding Agent to become a Guarantor and execute Security Documents (or supplements or joinder agreements thereto) in form and substance reasonably satisfactory to the Funding Agent, and take all actions necessary or advisable in the opinion of the Funding Agent or the Collateral Agent to cause the Lien created

by the applicable Security Documents to be a duly perfected First Priority Lien in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Funding Agent or the Collateral Agent and (D) subject to the terms of the Intercreditor Agreement, pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of the Successor Canadian Borrower, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of AV Metals, (iv) immediately after giving effect to any such amalgamation, the Consolidated Fixed Charge Coverage Ratio shall be at least 1.0 to 1.0, such compliance to be determined on the basis of the financial information most recently delivered to the Funding Agent pursuant to Section 5.01(a) or (b) as though such amalgamation had been consummated as of the first day of the fiscal period covered thereby and evidenced by a certificate from the chief financial officer of the Canadian Borrower demonstrating such compliance calculation in reasonable detail, (v) the Successor Canadian Borrower shall have no Indebtedness after giving effect to the Permitted Holdings Amalgamation other than Indebtedness of the Canadian Borrower in existence prior to the date of the Permitted Holdings Amalgamation and the Subordinated Debt Loan so long as the Subordinated Debt Loan shall have been amended in a manner satisfactory to the Funding Agent to reflect the subordination of the Subordinated Debt Loan to the Canadian Borrower's Secured Obligations and the Subordinated Debt Loan, if any, has been pledged by AV Metals as security for its guarantee of the Secured Obligations in a manner satisfactory to the Funding Agent, (vi) each other Guarantor, shall have by a confirmation in form and substance reasonably satisfactory to the Funding Agent, confirmed that its guarantee of the Guaranteed Obligations (including its Guarantee) shall apply to the Successor Canadian Borrower's obligations under this Agreement, (vii) Canadian Borrower and each other Guarantor shall have by confirmations and any required supplements to the applicable Security Documents reasonably requested by the Funding Agent, in each case, in form and substance reasonably satisfactory to the Funding Agent confirmed that its obligations thereunder shall apply to the Successor Canadian Borrower's obligations under this Agreement, and (viii) each Loan Party shall have delivered opinions of counsel and related officers' certificates reasonably requested by the Funding Agent with respect to the execution and delivery and enforceability of the documents referred to above and the compliance of such amalgamation with the provisions hereof, and all such opinions of counsel shall be satisfactory to the Funding Agent; and provided, further, that (x) if the foregoing are satisfied, (1) AV Metals will be substituted for and assume all obligations of AV Aluminum under this Agreement and each of the other Loan Documents and (2) the Successor Canadian Borrower shall be substituted for Novelis Inc. under this Agreement and each of the other Loan Documents and all references hereunder and under the other Loan Documents to the Canadian Borrower shall be references to the Successor Canadian Borrower and (y) notwithstanding any provision of Section 11.02, the Agents are hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary to reflect such changes in the parties to the applicable Loan Documents.

"**Permitted Holdings Indebtedness**" shall mean unsecured Indebtedness of Holdings (i) with respect to which no Borrower or Subsidiary has any Contingent Obligation, (ii) that will not mature prior to the 180th day following the Final Maturity Date, (iii) that has no scheduled amortization of principal prior to the 180th day following the Final Maturity Date, (iv) does not require any payments in cash of interest or other amounts in respect of the principal thereof (other than optional redemption provisions customary for senior discount or "pay-in-kind" notes)

for a number of years from the date of issuance or incurrence thereof equal to at least one-half of the term to maturity thereof, (v) has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior discount or "pay-in-kind" notes of an issuer that is the parent of a borrower under senior secured asset based revolving credit facilities, and (vi) that is issued to a person that is not an Affiliate of the Canadian Borrower or any of its Subsidiaries in an arm's-length transaction on fair market terms; provided that at least five Business Days prior to the incurrence of such Indebtedness, a Responsible Officer of Holdings shall have delivered a certificate to the Funding Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Permitted Liens**" shall have the meaning assigned to such term in Section 6.02.

"**Permitted Refinancing**" shall mean, with respect to any person, any refinancing or renewal of any Indebtedness of such person; provided that (a) (i) in the case of any such refinancing or renewal of the Subordinated Debt Loan, if the aggregate principal amount (or accreted value, if applicable) of such refinancing or renewal exceeds the aggregate principal amount (or accreted value, if applicable) of the Indebtedness so refinanced or renewed plus accrued interest thereon and reasonable fees and expenses payable in connection with such refinancing, the amount of any such excess is contributed by Holdings to the Canadian Borrower concurrently with such refinancing or renewal and (ii) in the case of any refinancing or renewal of any other Indebtedness, the aggregate principal amount (or accreted value, if applicable) thereof does not exceed the aggregate principal amount (or accreted value, if applicable) of the Indebtedness so refinanced or renewed except by an amount equal to unpaid accrued interest and premium thereon and any make-whole payments applicable thereto plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal and by an amount equal to any existing commitments unutilized thereunder, (b) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being refinanced or renewed (excluding the effects of nominal amortization in the amount of no greater than one percent per annum and prepayments of Indebtedness), (c) no Default is then continuing or would result therefrom, (d) the persons that are (or are required to be) obligors under such refinancing or renewal are the same persons as those that are (or are required to be) obligors under the Indebtedness being so refinanced or renewed (or, in the case of a Permitted Refinancing of the Senior Notes, such obligors are Loan Parties (other than Holdings)) and (e) the subordination provisions thereof (if any) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Indebtedness being so refinanced or renewed; provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of the Administrative Borrower shall have delivered an Officers' Certificate to the Funding Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Permitted Term Loan Facility Refinancing**" shall mean any refinancing or renewal of the Indebtedness incurred under the Term Loan Documents; provided that (a) the aggregate

principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such refinancing or renewal, shall not exceed the then Maximum Term Loan Facility Amount in effect plus an amount equal to unpaid accrued interest and premium on the Indebtedness being so refinanced or renewed plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal, (b) the "Applicable Margin" or similar component of the interest rate or yield provisions applicable to such Indebtedness, after giving effect to such refinancing or renewal, is not increased from the "Applicable Margin" set forth in the Term Loan Documents as of the Closing Date by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate specified in the Term Loan Credit Agreement), (c) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being so refinanced or renewed (excluding the effects of nominal amortization in the amount of no greater than one percent per annum and prepayments of Indebtedness), (d) no Default is existing or would result therefrom and (e) the persons that are (or are required to be) obligors under such refinancing or renewal are the same persons as those that are (or are required to be) obligors under the Indebtedness being so refinanced or renewed (unless, in the case of a refinancing of Indebtedness of a Loan Party, such persons are or become obligors under the Loan Documents); provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of the Administrative Borrower shall have delivered an Officers' Certificate to the Funding Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that the Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**person**" or "**Person**" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Plan**" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Company or its ERISA Affiliate or with respect to which any Company could incur liability (including under Section 4069 of ERISA).

"**Platform**" shall have the meaning assigned to such term in Section 11.01(d).

"**Pledged Intercompany Notes**" shall mean, with respect to each Loan Party, all intercompany notes described in Schedule 11 to the Perfection Certificate as of the Closing Date and intercompany notes hereafter acquired by such Loan Party and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"**Pledged Securities**" shall mean, collectively, with respect to each Loan Party, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 10 to the Perfection Certificate as of the Closing Date as being owned by such Loan Party and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired

by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any issuer, which Equity Interests are hereafter acquired by such Loan Party (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Loan Party in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests.

"**Post-Increase Revolving Lenders**" shall have the meaning assigned to such term in Section 2.23(d).

"**PPSA**" shall mean the Personal Property Security Act (Ontario) and the regulations promulgated thereunder and other applicable personal property security legislation of the applicable Canadian province or provinces in respect of the Canadian Loan Parties (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights promulgated thereunder) as all such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto.

"**Pre-Increase Revolving Lenders**" shall have the meaning assigned to such term in Section 2.23(d).

"**Preferred Stock**" shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person whether now outstanding or issued after the Closing Date.

"**Preferred Stock Issuance**" shall mean the issuance or sale by Holdings or any of its Subsidiaries of any Preferred Stock after the Closing Date.

"**Principal Jurisdiction**" shall mean the United States, Canada, the United Kingdom, Switzerland, Germany and any state, province or other political subdivision of the foregoing.

"**Priority Payables**" shall mean at any time, with respect to the Borrowers and the Borrowing Base Guarantors:

(a) (i) the amount past due and owing by each Borrower or Borrowing Base Guarantor, or the accrued amount for which such Borrower or Borrowing Base Guarantor has an obligation to remit to a Governmental Authority or other Person pursuant to any applicable law, rule or regulation, in respect of (u) pension fund obligations; (v) unemployment insurance; (w) goods and services taxes, sales taxes, employee income

taxes and other taxes payable or to be remitted or withheld; (x) workers' compensation; (y) vacation pay; and (z) other like charges and demands and (ii) the amount of fees which an insolvency administrator in an insolvency proceeding is allowed to collect pursuant to German law, including, without limitation, determination fees and collection fees; in each case with respect to the preceding clauses (i) and (ii), to the extent any Governmental Authority or other Person may claim a security interest, Lien, trust or other claim ranking or capable of ranking in priority to or *pari passu* with one or more of the First Priority Liens granted in the Security Documents; and

(b) the aggregate amount of any other liabilities of each Borrower or Borrowing Base Guarantor (i) in respect of which a trust has been or may be imposed on any Collateral to provide for payment or (ii) which are secured by a security interest, pledge, Lien, charge, right or claim on any Collateral; in each case, pursuant to any applicable law, rule or regulation and which trust, security interest, pledge, Lien, charge, right or claim ranks or, in the Permitted Discretion of the Funding Agent, is capable of ranking in priority to or *pari passu* with one or more of the First Priority Liens granted in the Security Documents (such as Liens, trusts, security interests, pledges, Liens, charges, rights or claims in favor of employees, landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens, trusts, security interests, pledges, Liens, charges, rights or claims for *ad valorem*, excise, sales, or other taxes where given priority under applicable law);

in each case net of the aggregate amount of all restricted cash held or set aside for the payment of such obligations.

"**Pro Forma Basis**" shall mean on a basis in accordance with GAAP and Regulation S-X and otherwise reasonably satisfactory to the Funding Agent.

"**Pro Rata Percentage**" of (i) any Revolving Lender at any time shall mean the percentage of the total Revolving Commitments of all Revolving Lenders represented by such Lender's Revolving Commitment, and (ii) any Revolving Lender with respect to a Class or Sub-Class of Obligations or Commitments (or exposure with respect to Loans or Obligations of a Class or Sub-Class), as applicable, shall mean the percentage of the total Commitments of such Class or Sub-Class, as applicable, of all Revolving Lenders represented by such Lender's Commitment of such Class or Sub-Class; provided that the Pro Rata Percentage of any Lender with respect to any Letter of Credit Commitment or exposure, shall be (x) with respect to U.S. Letters of Credit, European Letters of Credit, or U.S./European Letters of Credit, determined with respect to the U.S./European Commitment of such Lender relative to all U.S./European Lenders, and (y) with respect to Canadian Letters of Credit, determined with respect to the Canadian Commitment of such Lender relative to all Canadian Lenders.

"**Process Agent**" shall have the meaning assigned to such term in Section 11.09(d).

"**property**" shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests or other ownership interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property.

"**Property Material Adverse Effect**" shall mean, with respect to any Mortgaged Property, as of any date of determination and whether individually or in the aggregate, any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably be expected to cause or result in) a material adverse effect on (a) the business or operations of any Company as presently conducted at the Mortgaged Property; (b) the value or utility of the Mortgaged Property; or (c) the legality, priority or enforceability of the Lien created by the Mortgage or the rights and remedies of the Mortgagee thereunder.

"**PTR Scheme**" shall mean the Provisional Treaty Relief scheme as described in the HM Revenue & Customs (formerly the Inland Revenue Guidelines dated January 2003 and administered by HM Revenue & Customs' Centre for Non-Residents.

"**Purchase Money Obligation**" shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any property (including Equity Interests of any person) or the cost of installation, construction or improvement of any property and any refinancing thereof; provided, however, that (i) such Indebtedness is incurred within one year after such acquisition, installation, construction or improvement of such property by such person and (ii) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, installation, construction or improvement, as the case may be.

"**Purchased Receivables**" shall have the meaning assigned to such term in the Receivables Purchase Agreement.

"**Qualified Capital Stock**" of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

"**Real Property**" shall mean, collectively, all right, title and interest (including any freehold, leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Receivable**" shall mean the indebtedness and other obligations owed to any Company (other than any Loan Party or any Company organized under the laws of Germany) (at the time such indebtedness and other obligations arise, and before giving effect to any transfer or conveyance contemplated under any Securitization Facility documentation) or in which such person has a security interest or other interest, including any indebtedness, obligation or interest constituting an Account, contract right, payment intangible, promissory note, chattel paper, instrument, document, investment property, financial asset or general intangible, arising in connection with the sale of goods or the rendering of services by such person, and further includes, the obligation to pay any finance charges with respect thereto.

"**Receivables Purchase Agreement**" shall mean the receivables purchase agreement and any related servicing agreements between the German Seller, on the one hand, and the Swiss Borrower, on the other hand, in substantially the form of Exhibit Q or otherwise in form and

substance reasonably satisfactory to the Funding Agent, in each case providing, *inter alia*, for the sale and transfer of Accounts by the German Seller to the Swiss Borrower, as each such agreement may be amended, modified, supplemented or replaced from time to time in accordance with the terms hereof and thereof.

"**Receiver**" shall mean a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Collateral, and that term will include any appointee under a joint and/or several appointments.

"**Refinancing**" shall mean the repayment in full and the termination of any commitment to make extensions of credit under all of the outstanding indebtedness listed on Schedule 1.01(a) of the Canadian Borrower or any of its Subsidiaries.

"**Register**" shall have the meaning assigned to such term in Section 11.04(c).

"**Regulation**" shall have the meaning assigned to such term in Section 3.27.

"**Regulation D**" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation S-X**" shall mean Regulation S-X promulgated under the Securities Act.

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Reimbursement Obligations**" shall mean each applicable Borrower's obligations under Section 2.18(e) to reimburse LC Disbursements.

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by any Loan Party in exchange for assets transferred by a Loan Party shall not be deemed to be Related Business Assets if they consist of securities of a person, unless upon receipt of the securities of such person, such person would become a Loan Party.

"**Related Parties**" shall mean, with respect to any person, such person's Affiliates and the partners, directors, officers, employees, agents and advisors of such person and of such person's Affiliates.

"**Related Security**" shall mean, with respect to any Receivable, all of the applicable Securitization Subsidiary's interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale of which by the applicable Company gave rise to such Receivable, and all insurance contracts with respect thereto, all other security interests or liens

and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable, all guaranties, letters of credit, letter-of-credit rights, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the contract related to such Receivable or otherwise, all service contracts and other contracts and agreements associated with such Receivable, all records related to such Receivable, and all of the applicable Securitization Subsidiaries' right, title and interest in, to and under the applicable Securitization Facility documentation.

"**Release**" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

"**Relevant Amount**" shall have the meaning assigned to such term in Section 2.06(j).

"**Relevant Currency Equivalent**" shall mean the Dollar Equivalent or each Alternate Currency Equivalent, as applicable.

"**Rent Reserve**" shall mean a Reserve established by the Funding Agent in an amount equal to the latest three months rent payments made by any Borrower or Borrowing Base Guarantor for each location at which Inventory of the Borrowers and Borrowing Base Guarantors is located that is not subject to a Landlord Access Agreement or Bailee Letter (as reported to the Funding Agent by the Administrative Borrower from time to time as requested by the Funding Agent), as such amount may be adjusted from time to time by the Funding Agent in its Permitted Discretion taking into account any statutory provisions detailing the extent to which landlords, warehousement or other bailees may make claims against Inventory located thereon.

"**Required Class Lenders**" shall mean, with respect to any Class of Loans, Lenders having more than 50% of the sum of all outstanding Commitments (or after the termination thereof, outstanding Revolving Exposure of such Class).

"**Required Lenders**" shall mean Lenders having more than 50% of the sum of all outstanding Commitments (or after the termination thereof, Total Revolving Exposure).

"**Requirements of Law**" shall mean, collectively, any and all legally binding requirements of any Governmental Authority including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law.

"**Reserves**" shall mean reserves established from time to time against the Borrowing Base by the Funding Agent pursuant to Section 2.01(d) or otherwise in accordance with this Agreement.

"**Response**" shall mean (a) "response" as such term is defined in CERCLA, 42 U.S.C. § 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to (i) clean up, remove, treat, abate or in any other way address any Hazardous Material in the Environment; (ii) prevent the Release or threat of Release, or minimize the

further Release, of any Hazardous Material; or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

"**Responsible Officer**" shall mean, with respect to any Person, any of the principal executive officers, managing members or general partners of such Person but, in any event, with respect to financial matters, the chief financial officer, treasurer or controller of such person.

"**Restricted Grantor**" shall mean a Loan Party that has granted a Guarantee that is subject to limitations that impair in any material respect the benefit of such Guarantee (as determined by the Funding Agent in its Permitted Discretion) (it being expressly understood and agreed that (i) no Loan Party that is a Canadian Borrower, a Canadian Guarantor, a U.K. Borrower, a U.K. Guarantor, a U.S. Borrower or a U.S. Guarantor shall be a Restricted Grantor and (ii) except as may be otherwise determined by the Funding Agent in its Permitted Discretion, each Loan Party that is a German Guarantor, an Irish Guarantor, a Swiss Borrower, a Swiss Guarantor or a Brazilian Guarantor shall be a Restricted Grantor).

"**Restricted Sub-Participation**" shall mean a sub-participation of the rights and/or the obligations of a Lender under this Agreement which is not substantially in the form recommended from time to time by the London Loan Market Association (LMA) (including, in particular, a provision on status of participation substantially in the form set out in Clause 6.1 of the LMA Funded Participation (PAR) form as at the date of this Agreement and Clause 7.1 of the current LMA Risk Participation (PAR) form as at the date of this Agreement, except for changes that have been approved by the Funding Agent.

"**Revolving Availability Period**" shall mean the period from and including the Closing Date to but excluding the earlier of (i) the Business Day preceding the Final Maturity Date and (ii) the date of termination of the Revolving Commitments.

"**Revolving Commitment**" shall mean, with respect to each Lender, such Lender's Canadian Commitment and/or U.S./European Commitment.

"**Revolving Credit Priority Collateral**" shall mean all "Revolving Credit Priority Collateral" as defined in the Intercreditor Agreement.

"**Revolving Exposure**" shall mean, with respect to any Lender at any time, the sum of the aggregate U.S./European Revolving Exposure of such Lender and the aggregate Canadian Revolving Exposure of such Lender.

"**Revolving Lender**" shall mean a Lender with a Revolving Commitment.

"**Revolving Loan**" shall have the meaning assigned to such term in Section 2.01(b).

"**S&P**" shall mean Standard & Poor's Rating Services.

"**Sale and Leaseback Transaction**" shall have the meaning assigned to such term in Section 6.03.

“**Sarbanes-Oxley Act**” shall mean the United States Sarbanes-Oxley Act of 2002, as amended, and all rules and regulations promulgated thereunder.

“**Secured Debt Agreement**” shall mean (i) this Agreement, (ii) the other Loan Documents and (iii) any Treasury Services Agreement entered into by a Loan Party with any counterparty that is a Secured Party.

“**Secured Obligations**” shall mean (a) the Obligations and (b) the due and punctual payment and performance of all obligations of the Borrowers and the other Loan Parties (including overdrafts and related liabilities) under each Treasury Services Agreement entered into with any counterparty that is a Secured Party.

“**Secured Parties**” shall mean, collectively, the Administrative Agent, the Collateral Agent, the Funding Agent, the Canadian Funding Agent, any Receiver or Delegate, each other Agent, the Lenders, the Issuing Banks, and each party providing services to a Loan Party pursuant to a Treasury Services Agreement, if at the date of entering into such Treasury Services Agreement (or, with respect to Treasury Services Agreements in effect at the date hereof, at the date hereof) such person was a Lender, Arranger or Agent (or an Affiliate of a Lender, Arranger or Agent) (i) with an investment grade credit rating with respect to its unsecured debt or liabilities from Moody’s and S&P or (ii) otherwise approved by the Funding Agent, and in each case (with respect to any Affiliate of a Lender) such person executes and delivers to the Funding Agent a letter agreement substantially in the form of Exhibit S attached hereto or in such other form as may be acceptable to the Funding Agent pursuant to which such person (i) appoints the Collateral Agent as its agent under the applicable Loan Documents and (ii) agrees to be bound by the provisions of Section 10.03, Section 10.09, the Intercreditor Agreement and the Security Documents as if it were a Lender.

“**Securities Act**” shall mean the Securities Act of 1933.

“**Securities Collateral**” shall mean, collectively, the Pledged Securities, the Pledged Intercompany Notes and the Distributions.

“**Securitization Assets**” means all existing or hereafter acquired or arising (i) Receivables that are sold, assigned or otherwise transferred pursuant to a Securitization Facility, (ii) the Related Security with respect to the Receivables referred to in clause (i) above, (iii) the collections and proceeds of the Receivables and Related Security referred to in clauses (i) and (ii) above, (iv) all lockboxes, lockbox accounts, collection accounts or other deposit accounts into which such collections are deposited (and in any event excluding any lockboxes, lockbox accounts, collection accounts or deposit accounts that any Loan Party or any Company organized under the laws of Germany has an interest in) and which have been specifically identified and consented to by the Funding Agent, and (v) all other rights and payments which relate solely to such Receivables.

“**Securitization Facility**” means each transaction or series of related transactions that effect the securitization of Receivables of a person; provided that no Receivables or other property of any Borrower, Borrowing Base Guarantor or any Company organized or conducting business in a Principal Jurisdiction shall be subject to a Securitization Facility.

"**Securitization Subsidiary**" means any special purpose financial subsidiary established by a Company for the sole purpose of consummating one or more Securitization Facilities and in respect of which no Company (other than a Securitization Subsidiary) has any obligation to maintain or preserve such Securitization Subsidiary's financial condition or cause such Securitization Subsidiary to achieve specified levels of operating results.

"**Security Agreement**" shall mean each U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement, each Irish Security Agreement, each Brazilian Security Agreement, and each other Security Agreement entered into pursuant to Section 5.11(b), individually and collectively, as the context may require.

"**Security Agreement Collateral**" shall mean all property pledged or granted as collateral pursuant to any Security Agreement (a) on the Closing Date or (b) thereafter pursuant to Section 5.11.

"**Security Documents**" shall mean each Security Agreement, the Mortgages, any Security Trust Deed, and each other security document, deed of trust, charge or pledge agreement delivered in accordance with applicable local or foreign law to grant a valid, perfected security interest in any property as collateral for the Secured Obligations, and all UCC or other financing statements or financing change statements, control agreements, bailee notification letters, or instruments of perfection required by this Agreement, any Security Agreement, any Mortgage or any other such security document, charge or pledge agreement to be filed with respect to the security interests in property and fixtures created pursuant to any Security Agreement or any Mortgage and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as collateral for the Secured Obligations or to perfect, obtain control over or otherwise protect the interest of the Collateral Agent therein.

"**Security Trust Deed**" shall mean any security trust deed to be executed by, among others, the Collateral Agent, the Funding Agent and any Loan Party granting security over U.K. or Irish assets of any Loan Party.

"**Senior Note Agreement**" shall mean the indenture dated as of February 3, 2005, pursuant to which the Senior Notes were issued and any other indenture, note purchase agreement or other agreement pursuant to which Senior Notes are issued in a Permitted Refinancing of the Senior Notes.

"**Senior Note Documents**" shall mean the Senior Notes, the Senior Note Agreement, the Senior Note Guarantees and all other documents executed and delivered with respect to the Senior Notes or the Senior Note Agreement.

"**Senior Note Guarantees**" shall mean the guarantees of the Loan Parties (other than Holdings) and the other guarantors pursuant to the Senior Note Agreement.

"**Senior Notes**" shall mean Canadian Borrower's 7-1/4% Senior Notes due 2015 issued pursuant to the Senior Note Agreement and any senior notes issued pursuant to a Permitted

Refinancing of the Senior Notes (including the registered notes issued in exchange for Senior Notes with substantially identical terms as the Senior Notes so exchanged).

"**Settlement**" has the meaning assigned to such term in Section 2.17(c).

"**Settlement Date**" has the meaning assigned to such term in Section 2.17(c).

"**Significant Event of Default**" shall mean any Event of Default under Section 8.01(a), (b), (g) or (h).

"**Similar Business**" shall mean any business conducted by the Canadian Borrower and the other Loan Parties on the Closing Date as described in the Confidential Information Memorandum (or, in the good faith judgment of the Board of Directors, which are substantially related thereto or are reasonable extensions thereof).

"**Specified Foreign Currency**" has the meaning assigned to such term in Section 2.01(a).

"**Specified Foreign Currency Funding Capacity**" at any date of determination, for any Lender, shall mean the ability of such Lender to fund U.S./European Revolving Loans denominated in a Specified Foreign Currency, as set forth in the records of the Funding Agent as notified in writing by such Lender to the Funding Agent within three (3) Business Days of such Lender becoming a Lender hereunder.

"**Specified Foreign Currency Loan**" has the meaning assigned to such term in Section 12.01(a).

"**Specified Foreign Currency Participation**" has the meaning assigned to such term in Section 12.01(a).

"**Specified Foreign Currency Participation Fee**" has the meaning assigned to such term in Section 12.06.

"**Specified Foreign Currency Participation Settlement**" has the meaning assigned to such term in Section 12.02(i).

"**Specified Foreign Currency Participation Settlement Amount**" has the meaning assigned to such term in Section 12.02(ii).

"**Specified Foreign Currency Participation Settlement Date**" has the meaning assigned to such term in Section 12.02(i).

"**Specified Foreign Currency Participation Settlement Period**" has the meaning assigned to such term in Section 12.02(i).

"**Specified Holders**" shall mean the Persons listed on Schedule 1.01(g).

"**Spot Selling Rate**" shall mean on any date of determination (a) when used by the Administrative Borrower to calculate the Borrowing Base, the spot selling rate posted by the

Federal Reserve Bank of New York on its website for the sale of the applicable currency for Dollars at approximately 11:00 a.m. (Chicago time) on such date and (b) for all other purposes, the spot selling rate determined by the Funding Agent which shall be the spot selling rate posted by Reuters on its website for the sale of the applicable currency for Dollars at approximately 4:00 p.m. (Chicago time) on the prior Business Day; provided that if such rate is not available, such rate shall be the spot selling rate posted by the Federal Reserve Bank of New York on its website for the sale of the applicable currency for Dollars at approximately 4:00 p.m. (Chicago time) on the prior Business Day

"**Standby Letter of Credit**" shall mean any standby letter of credit or similar instrument issued for the purpose of supporting obligations of Holdings or any of its Subsidiaries not prohibited by this Agreement.

"**Statutory Reserves**" shall mean (a) for any Interest Period for any Eurocurrency Borrowing in dollars, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion dollars against "Eurocurrency liabilities" (as such term is used in Regulation D), (b) for any Interest Period for any portion of a Borrowing in GBP, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves), if any, are in effect on such day for funding in GBP maintained by commercial banks which lend in GBP, (c) for any Interest Period for any portion of a European Swingline Borrowing in Swiss francs, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves), if any, are in effect on such day for funding in Swiss francs maintained by commercial banks which lend in Swiss francs or (d) for any Interest Period for any portion of a Borrowing in euros, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves), if any, are in effect on such day for funding in euros maintained by commercial banks which lend in euros. Eurocurrency Borrowings and EURIBOR Borrowings shall be deemed to constitute Eurocurrency liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

"**Sub-Class**," when used in reference to any U.S./European Revolving Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are U.S. Revolving Loans, U.K. Revolving Loans or Swiss Revolving Loans.

"**Subordinated Debt Loan**" shall mean that certain loan extended by AV Metals to Holdings in the aggregate principal amount of $900,000,000, as evidenced by the Promissory Note, dated May 15, 2007, made by Holdings in favor of AV Metals, as such loan may be increased by any Additional Subordinated Debt Loan or amended, in each case in accordance with the terms hereof; provided that to the extent the provisions of the definition of Permitted Holdings Amalgamation are complied with, the Subordinated Debt Loan in effect on the Closing Date and any Additional Subordinated Debt Loan incurred after the Closing Date and prior to the date of the Permitted Holdings Amalgamation may become an obligation of the Canadian Borrower after the Permitted Holdings Amalgamation occurs; provided, further, that all other

Subordinated Debt Loans, if any, shall at all times be and remain unsecured obligations solely of Holdings.

"**Subordinated Indebtedness**" shall mean Indebtedness of a Loan Party that is subordinated by its terms (including pursuant to the terms of any subordination agreement, intercreditor agreement, or otherwise) in right of payment to the Obligations of such Loan Party, including the Subordinated Debt Loan.

"**Subsidiary**" shall mean, with respect to any person (the "**parent**") at any date, (i) any person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iv) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, "Subsidiary" refers to a Subsidiary of Holdings. Notwithstanding the foregoing, Logan shall not be treated as a Subsidiary hereunder or under the other Loan Documents unless it qualifies as a Subsidiary under clause (ii) of this definition.

"Subsidiary Guarantor" shall mean each Subsidiary listed on Schedule 1.01(b), and each other Subsidiary that is or becomes a party to this Agreement as a Subsidiary Guarantor pursuant to Section 5.11.

"Supermajority Lenders" shall mean at any time, Lenders having more than 66-2/3% of the sum of all outstanding Commitments (or after the termination thereof, Total Revolving Exposure).

"**Survey**" shall mean a survey of any Mortgaged Property (and all improvements thereon) which is (a) (i) prepared by a surveyor or engineer licensed to perform surveys in the jurisdiction where such Mortgaged Property is located, (ii) current as of a date which shows all exterior construction on the site of such Mortgaged Property or any easement, right of way or other interest in the Mortgaged Property has been granted or become effective through operation of law or otherwise with respect to such Mortgaged Property which, in either case, can be depicted on a survey, unless otherwise acceptable to the Collateral Agent, (iii) certified by the surveyor (in a manner reasonably acceptable to the Funding Agent) to the Funding Agent, the Collateral Agent and the Title Company, (iv) complying in all respects with the minimum detail requirements of the American Land Title Association (or the local equivalent) as such requirements are in effect on the date of preparation of such survey and (v) sufficient for the Title Company to remove all standard survey exceptions from the title insurance policy (or commitment) relating to such Mortgaged Property and issue the endorsements of the type required by Section 4.01(o)(iii) or (b) otherwise acceptable to the Collateral Agent.

"**Swingline Exposure**" shall mean at any time the sum of (a) U.S. Swingline Exposure plus (b) European Swingline Exposure.

"**Swingline Lender**" mean, individually and collectively, as the context may require, the U.S. Swingline Lender and the European Swingline Lender.

"**Swingline Loan**" shall mean any loan made by a Swingline Lender pursuant to Section 2.17.

"**Swiss Borrower**" shall have the meaning assigned to such term in the preamble hereto.

"**Swiss Borrowing Base**" shall mean at any time an amount equal to the sum of the Dollar Equivalent of, without duplication:

(i) the book value of Eligible Large Customer Swiss Accounts, multiplied by the advance rate of 85%, plus

(ii) the book value of Eligible Small Customer Swiss Accounts, multiplied by the "Applicable Percentage" (as defined in the Receivables Purchase Agreement), multiplied by the advance rate of 85%, minus

(iii) effective upon notification thereof to Administrative Borrower by the Collateral Agent and compliance with Section 2.01(d), any Reserves established from time to time by the Collateral Agent with respect to the Swiss Borrowing Base in accordance with the terms of this Agreement.

The Swiss Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate theretofore delivered to the Collateral Agent and the Funding Agent with such adjustments as Funding Agent and Collateral Agent deem appropriate in its Permitted Discretion to assure that the Swiss Borrowing Base is calculated in accordance with the terms of this Agreement.

"**Swiss francs**" or "**CHF**" shall mean lawful money of Switzerland.

"Swiss Franc Denominated Loan" shall mean each European Swingline Loan denominated in Swiss Francs at the time of the incurrence thereof, unless and until converted into Dollar Denominated Loans pursuant to Section 2.09.

"Swiss Guarantor" shall mean each Subsidiary of Holdings organized in Switzerland (other than the Swiss Borrower) party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Switzerland that is required to become a Guarantor pursuant to the terms hereof.

"**Swiss Loan Party**" shall mean the Swiss Borrower or a Swiss Guarantor.

"**Swiss Non-Qualifying Bank**" shall mean a (Swiss or non-Swiss) Person that does not qualify as a Swiss Qualifying Bank.

“**Swiss Qualifying Bank**” shall mean a (Swiss or non-Swiss) financial institution which (i) qualifies as a bank pursuant to the banking laws in force in its country of incorporation, (ii) carries on a true banking activity in such jurisdiction as its main purpose, and (iii) has personnel, premises, communication devices and decision-making authority of its own, all as per the guidelines of the Swiss Federal Tax Administration No. S-02.122.1(4.99), No. S-02.122.2(4.99), S-02-123(9.86), No. S-02.128(1.2000) and No. S-02.130(4.99) or legislation or guidelines addressing the same issues which are in force at such time.

“**Swiss Revolving Exposure**” shall mean, with respect to any Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding Swiss Revolving Loans of such Lender, plus the Dollar Equivalent of the aggregate amount at such time of such Lender’s European LC Exposure, plus the Dollar Equivalent of the aggregate amount at such time of such Lender’s European Swingline Exposure.

“**Swiss Revolving Loan**” shall have the meaning assigned to such term in Section 2.01(a).

“**Swiss Security Agreement**” shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-4-1 to 7 among the Swiss Loan Parties and the Collateral Agent for the benefit of the Secured Parties.

“**Swiss Withholding Tax**” shall mean any withholding tax in accordance with the Swiss Federal Statute on Anticipatory Tax of 13 October 1965 (*Bundesgesetz uber die Verrechnungssteuer*) and any successor provision, as appropriate.

“**Syndication Agent**” shall have the meaning assigned to such term in the preamble hereto.

“**TARGET**” shall mean the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system (or any successor payment system).

“**TARGET Day**” shall mean any day on which TARGET is open for the settlement of payments in Euro.

“**Tax Deduction**” has the meaning assigned to such term in Section 2.15(i).

“**Tax Return**” shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

“**Taxes**” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, payroll, social security, employment and unemployment taxes, assessments, fees or other charges imposed by any Taxing Authority, including any interest, additions to tax or penalties applicable thereto.

“**Taxing Authority**” shall mean any governmental entity of any jurisdiction or political subdivision thereof with the authority to impose, assess, and collect Taxes and engage in activities of a similar nature with respect to such Taxing Authority.

“**Ten Non-Bank Regulations**” shall mean the regulations pursuant to the guidelines No. S-02.122.1(4.99), No. S-02.128(1.2000) and No. S-02.130.1(4.99) of the Swiss Federal Tax Administration (or legislation or guidelines addressing the same issues which are in force at such time) pursuant to which the aggregate number of Lenders of a Swiss Borrower under this Agreement which are not Swiss Qualifying Banks shall not at any time exceed ten.

“**Term Loan Administrative Agent**” shall mean UBS AG, Stamford Branch, in its capacity as administrative agent under the Term Loan Credit Agreement, and its successors and assigns in such capacity.

“**Term Loan Agents**” shall mean the “Agents” (as defined in the Term Loan Documents, including the Term Loan Administrative Agent and the Term Loan Collateral Agent).

“**Term Loan Collateral Agent**” shall mean UBS AG, Stamford Branch, in its capacity as collateral agent under the Term Loan Credit Agreement, and its successors and assigns in such capacity.

“**Term Loan Credit Agreement**” shall mean (i) that certain credit agreement dated as of the date hereof among the Loan Parties party thereto, the lenders party thereto, the Arrangers, as joint lead arrangers, and UBS AG, Stamford Branch, as administrative agent and as collateral agent for the Term Loan Secured Parties, as amended, restated, supplemented or modified from time to time to the extent permitted by this Agreement and the Intercreditor Agreement and (ii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend (subject to the limitations set forth herein and in the Intercreditor Agreement) or refinance in whole or in part the indebtedness and other obligations outstanding under the (x) credit agreement referred to in clause (i) or (y) any subsequent Term Loan Credit Agreement, in each case which constitutes a Permitted Term Loan Facility Refinancing with respect to the Term Loans, unless such agreement or instrument expressly provides that it is not intended to be and is not a Term Loan Credit Agreement hereunder. Any reference to the Term Loan Credit Agreement hereunder shall be deemed a reference to any Term Loan Credit Agreement then in existence.

“**Term Loan Documents**” shall mean the Term Loan Credit Agreement and the other Loan Documents as defined in the Term Loan Credit Agreement, including the mortgages and other security documents, guaranties and the notes issued thereunder.

“**Term Loan Obligations**” shall mean the Term Loans and the guarantees by the Loan Parties under the Term Loan Documents.

“**Term Loan Priority Collateral**” shall have the meaning provided in the Intercreditor Agreement.

“**Term Loan Secured Parties**” shall mean the Term Loan Administrative Agent, the Term Loan Collateral Agent and each Person that is a lender under the Term Loan Credit Agreement.

“**Term Loan Security Documents**” shall have the meaning assigned to the term “Security Documents” in the Term Loan Credit Agreement.

“**Term Loans**” shall mean the senior secured term loans under the Term Loan Credit Agreement.

“**Test Period**” shall mean, at any time, the four consecutive fiscal quarters of Canadian Borrower then last ended (in each case taken as one accounting period).

“**Title Company**” shall mean any title insurance company as shall be retained by Borrower and reasonably acceptable to the Funding Agent.

“**Title Policy**” shall have the meaning assigned to such term in Section 4.01(o)(iii).

“**Total Adjusted Borrowing Base**” shall mean, at any time, the sum of (i) the U.S. Borrowing Base at such time, plus (ii) the Canadian Borrowing Base at such time, plus (iii) the lesser of (A) the U.K. Borrowing Base and (B) $325 million, minus (without duplication) (iv) Reserves against the Total Borrowing Base or any component thereof (other than the Swiss Borrowing Base).

“**Total Adjusted Revolving Exposure**” shall mean, at any time, the Total Revolving Exposure minus Swiss Revolving Exposure.

“**Total Borrowing Base**” shall mean, at any time, the sum of (i) the U.S. Borrowing Base at such time, plus (ii) the Canadian Borrowing Base at such time, plus (iii) the European Borrowing Base at such time, minus (without duplication) (iv) Reserves against the Total Borrowing Base or any component thereof.

“**Total Canadian Commitment**” shall mean, at any time, the sum of the Canadian Commitments of each of the Lenders at such time.

“**Total Canadian Revolving Exposure**” shall mean, at any time, the sum of the Canadian Revolving Exposure of each of the Lenders at such time.

“**Total Commitment**” shall mean, at any time, the sum of the Total Canadian Commitment and the Total U.S./European Commitment.

“**Total European Revolving Exposure**” shall mean, at any time, the sum of the Total Swiss Revolving Exposure and Total U.K. Revolving Exposure at such time.

“**Total Leverage Ratio**” shall mean, at any date of determination, the ratio of Consolidated Indebtedness on such date to Consolidated Adjusted EBITDA for the four consecutive fiscal quarters of Canadian Borrower then last ended (in each case taken as one accounting period) for which financial statements have been delivered (or if financial statements with respect to the most recently ended fiscal quarter are required to but, have not been delivered, for which financial statements are then required to have been delivered).

"**Total Revolving Exposure**" shall mean, at any time, the sum of the Revolving Exposure of each of the Lenders at such time.

"**Total Swiss Revolving Exposure**" shall mean, at any time, the sum of the Swiss Revolving Exposure of each of the Lenders at such time.

"**Total U.K. Revolving Exposure**" shall mean, at any time, the sum of the U.K. Revolving Exposure of each of the Lenders at such time.

"**Total U.S. Revolving Exposure**" shall mean, at any time, the sum of the U.S. Revolving Exposure of each of the Lenders at such time.

"**Total U.S./European Commitment**" shall mean, at any time, the sum of the U.S./European Commitments of each of the Lenders at such time.

"**Total U.S./European Revolving Exposure**" shall mean, at any time, the sum of the U.S./European Revolving Exposure of each of the Lenders at such time.

"**Transaction Documents**" shall mean the Loan Documents and the Term Loan Documents.

"**Transactions**" shall mean, collectively, the transactions to occur on or prior to the Closing Date pursuant to the Transaction Documents, including (a) the execution, delivery and performance of the Loan Documents and the initial borrowings hereunder; (b) the Refinancing; (c) the execution, delivery and performance of the Term Loan Documents and the borrowings thereunder; and (d) the payment of all fees and expenses to be paid on or prior to the Closing Date and owing in connection with the foregoing.

"**Transferred Guarantor**" shall have the meaning assigned to such term in Section 7.09.

"**Treasury Services Agreement**" shall mean any agreement relating to treasury, depositary pooled account or netting arrangements (including the European Cash Pooling Arrangements) and cash management services or automated clearinghouse transfer of funds.

"**Treaty Lender**" shall have the meaning assigned to such term in clause (C) of the definition of "U.K. Qualifying Lender".

"**Twenty Non-Bank Regulations**" shall mean the regulations pursuant to the guidelines No. S-02.122.1(4.99), No. S-02.122.2(4.99), No. S-02.128(1.2000) and No. S-02.130.1(4.99) of the Swiss Federal Tax Administration (or legislation or guidelines addressing the same issues which are in force at such time) pursuant to which the aggregate number of persons and legal entities, which are not Swiss Qualifying Banks and to which the Swiss Borrower directly or indirectly, including, without limitation, through a Restricted Sub-Participation or other sub-participations under any other agreement, owes interest-bearing borrowed money under all interest-bearing instruments including, *inter alia*, this Agreement, taken together (other than bond issues which are subject to Swiss Withholding Tax), shall not exceed twenty at any time in order to not trigger Swiss Withholding Tax.

“**Type**,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted EURIBOR Rate, the Adjusted LIBOR Rate, the Alternate Base Rate, the Canadian Base Rate or the BA Rate (in each case with regard to a Loan of a given currency).

“**UCC**” shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

“**U.K. Borrower**” shall have the meaning assigned to such term in the preamble hereto.

“**U.K. Borrowing Base**” shall mean at any time an amount equal to the sum of the Dollar Equivalent of, without duplication:

(i) the book value of Eligible U.K. Accounts multiplied by the advance rate of 85%, minus

(ii) the lesser of (i) the advance rate of 75% of the Cost of Eligible U.K. Inventory, or (ii) the advance rate of 85% of the Net Recovery Cost Percentage multiplied by the Cost of Eligible U.K. Inventory, minus

(iii) effective upon notification thereof to Administrative Borrower by the Collateral Agent and compliance with Section 2.01(d), any Reserves established from time to time by the Collateral Agent with respect to the U.K. Borrowing Base in accordance with the terms of this Agreement.

The U.K. Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate theretofore delivered to the Collateral Agent and the Funding Agent with such adjustments as Funding Agent and Collateral Agent deem appropriate in their collective Permitted Discretion to assure that the U.K. Borrowing Base is calculated in accordance with the terms of this Agreement.

“U.K. Guarantor” shall mean each Subsidiary of Holdings incorporated in England and Wales (other than the U.K. Borrower) party hereto as a Guarantor, and each other Subsidiary of Holdings incorporated in England and Wales that is required to become a Guarantor pursuant to the terms hereof.

“U.K. Loan Party” shall mean each of the U.K. Borrower and each U.K. Guarantor.

“**U.K. Qualifying Lender**” shall mean a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement or any other Loan Document and is:

(A) a lender:

(i) which is a bank (as defined for the purpose of Section 879 of the Income Taxes Act 2007) making an advance under this Agreement or any other Loan Document, or

(ii) in respect of an advance made under this Agreement or any other Loan Document by a person that was a bank (as defined for the purpose of Section 879 of the Income Taxes Act 2007) at the time that that advance was made,

and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(B) a lender which is:

(i) a company resident in the United Kingdom for United Kingdom tax purposes;

(ii) a partnership each member of which is either:

(I) a company resident in the United Kingdom for United Kingdom tax purposes; or

(II) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which is required to bring into account in computing its chargeable profits (within the meaning of Section 11(2) of the Income and Corporation Taxes Act 1988) the whole of any share of interest payable in respect of that advance that falls to it by reason of Sections 114 and 115 of the Income and Corporation Taxes Act 1988; or

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account that interest payable in respect of that advance in computing the chargeable profits (for the purposes of Section 11(2) of the Income and Corporation Taxes Act 1988) of that company; or

(C) a lender which:

(i) is treated as a resident of a jurisdiction having a double taxation agreement with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest for the purposes of the treaty; and

(ii) does not carry on a business in the United Kingdom through a permanent establishment with which the Lender's

participation in the Loan is effectively connected (a "**Treaty Lender**").

"**U.K. Revolving Exposure**" shall mean, with respect to any Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding U.K. Revolving Loans of such Lender.

"**U.K. Revolving Loan**" shall have the meaning assigned to such term in Section 2.01(a).

"**U.K. Security Agreement**" shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-3-1 to 3 among the U.K. Loan Parties and the Collateral Agent for the benefit of the Secured Parties, including the U.K. Share Charge.

"**U.K. Share Charge**" shall mean shall mean a Security Agreement in substantially the form of Exhibit M-3-2, among the Canadian Borrower and the Collateral Agent.

"**United States**" shall mean the United States of America.

"**Unpaid Supplier Reserve**" shall mean, at any time, with respect to the Canadian Loan Parties, the amount equal to the percentage applicable to Inventory in the calculation of the Canadian Borrowing Base multiplied by the aggregate value of the Eligible Inventory which the Funding Agent, in its Permitted Discretion, considers is or may be subject to a right of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) or any other laws of Canada or any other applicable jurisdiction granting revendication or similar rights to unpaid suppliers, in each case, where such supplier's right ranks or is capable of ranking in priority to or pari passu with one or more of the First Priority Liens granted in the Security Documents.

"**Unrestricted Grantors**" shall mean Loan Parties that are not Restricted Grantors.

"**U.S. Borrower**" shall mean each Initial U.S. Borrower, and each other Subsidiary (which is organized under the laws of the United States or any state thereof or the District of Columbia) that is or becomes a party to this Agreement as a U.S. Borrower pursuant to Section 5.11.

"**U.S. Borrowing Base**" shall mean at any time an amount equal to the sum of, without duplication:

(i) the book value of Eligible U.S. Accounts multiplied by the advance rate of 85%, plus

(ii) the lesser of (i) the advance rate of 75% of the Cost of Eligible U.S. Inventory, or (ii) the advance rate of 85% of the Net Recovery Cost Percentage multiplied by the Cost of Eligible U.S. Inventory, minus

(iii) effective upon notification thereof to Administrative Borrower by the Collateral Agent and compliance with Section 2.01(d), any Reserves established from time to time by the

Collateral Agent with respect to the U.S. Borrowing Base in accordance with the terms of the Agreement.

The U.S. Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate theretofore delivered to the Collateral Agent and the Funding Agent with such adjustments as Funding Agent and Collateral Agent deem appropriate in their collective Permitted Discretion to assure that the U.S. Borrowing Base is calculated in accordance with the terms of this Agreement.

"**U.S. LC Exposure**" shall mean at any time the sum of (a) the Dollar Equivalent of the aggregate undrawn amount of all outstanding U.S. Letters of Credit at such time plus (b) the Dollar Equivalent of the aggregate principal amount of all U.S. Reimbursement Obligations outstanding at such time. The U.S. LC Exposure of any U.S./European Lender at any time shall mean its Pro Rata Percentage of the aggregate U.S. LC Exposure at such time.

"**U.S. Letter of Credit**" shall have the meaning assigned to such term in Section 2.18(a).

"**U.S. Reimbursement Obligations**" shall mean each applicable Borrower's obligations under Section 2.18(e) to reimburse LC Disbursements in respect of U.S. Letters of Credit.

"**U.S. Revolving Exposure**" shall mean, with respect to any U.S./European Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding U.S Borrower Revolving Loans of such Lender, plus the Dollar Equivalent of the aggregate amount at such time of such Lender's U.S. LC Exposure, plus the Dollar Equivalent of the aggregate amount at such time of such Lender's U.S. Swingline Exposure.

"**U.S. Revolving Loan**" shall have the meaning assigned to such term in Section 2.01(a).

"**U.S. Security Agreement**" shall mean a Security Agreement substantially in the form of Exhibit M-1 among the U.S. Borrowers and the Collateral Agent for the benefit of the Secured Parties.

"**U.S. Swingline Exposure**" shall mean at any time the aggregate principal amount at such time of all outstanding U.S. Swingline Loans. The U.S. Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage of the aggregate U.S. Swingline Exposure at such time.

"**U.S. Swingline Lender**" shall have the meaning assigned to such term in the preamble hereto.

"**U.S. Swingline Loan**" shall have the meaning assigned to such term in Section 2.17(a).

"**U.S./European Commitments**" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make U.S./European Revolving Loans and purchase participations in U.S./European Letters of Credit hereunder up to the amount set forth on Schedule I to the Lender Addendum executed and delivered by such Lender directly under the column entitled "U.S./European Commitment" or in an Increase Joinder, or in the Assignment and Assumption pursuant to which such Lender assumed its U.S./European Commitment, as

applicable, as the same may be (a) increased pursuant to Section 2.23, (b) reduced from time to time pursuant to Section 2.07 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate amount of the Lenders' U.S./European Commitments on the Closing Date is $740 million.

"**U.S./European Issuing Bank**" shall mean, as the context may require, (a) ABN AMRO, in its capacity as issuer of U.S. Letters of Credit and European Letters of Credit issued by it; (b) any other Lender that that is a Swiss Qualifying Bank that may become an Issuing Bank pursuant to Section 2.18(j) and (k) in its capacity as issuer of U.S. Letters of Credit and European Letters of Credit issued by such Lender; (c) any other U.S./European Lender that may become an Issuing Bank pursuant to Section 2.18(l), but solely in its capacity as issuer of Existing Letters of Credit; or (d) collectively, all of the foregoing. Any U.S./European Issuing Bank may, in its discretion, arrange for one or more U.S./European Letters of Credit to be issued by Affiliates of such U.S./European Issuing Bank (so long as each such Affiliate is a Swiss Qualifying Bank), in which case the term "U.S./European Issuing Bank" shall include any such Affiliate with respect to U.S./European Letters of Credit issued by such Affiliate.

"**U.S./European LC Commitment**" shall mean the commitment of the U.S./European Issuing Bank to issue U.S. Letters of Credit and European Letters of Credit pursuant to Section 2.18. The total amount of the U.S./European LC Commitment shall initially be $75 million, but shall in no event exceed the U.S./European Commitment.

"**U.S./European LC Exposure**" shall mean, at any time, the sum of the U.S. LC Exposure and European LC Exposure at such time.

"**U.S./European Lender**" shall mean each Lender which has a U.S./European Commitment (without giving effect to any termination of the Total U.S./European Commitment if any U.S./European LC Exposure remains outstanding) or which has any outstanding U.S./European Revolving Loans (or any then outstanding U.S./European LC Exposure).

"**U.S./European Letter of Credit**" shall have the meaning assigned to such term in Section 2.18(a).

"**U.S./European Percentage**" of any U.S./European Lender at any time shall be that percentage which is equal to a fraction (expressed as a percentage) the numerator of which is the U.S./European Commitment of such U.S./European Lender at such time and the denominator of which is the Total U.S./European Commitment at such time, provided that if any such determination is to be made after the Total U.S./European Commitment (and the related U.S./European Commitments of the Lenders) has (or have) terminated, the determination of such percentages shall be made immediately before giving effect to such termination.

"**U.S./European Reimbursement Obligations**" shall mean each applicable Borrower's obligations under Section 2.18(e) to reimburse LC Disbursements in respect of U.S./European Letters of Credit.

"**U.S./European Revolving Exposure**" shall mean, with respect to any U.S./European Lender at any time, the sum of U.S. Revolving Exposure, Swiss Revolving Exposure and U.K. Revolving Exposure.

“**U.S./European Revolving Loan**” shall have the meaning assigned to such term in Section 2.01(a).

“**Vendor Managed Inventory**” shall mean Inventory of a U.S. Borrower, a Canadian Loan Party, or an Eligible U.K. Loan Party located in the ordinary course of business of such Loan Party at a customer location that has been disclosed to the Funding Agent in Schedule 3.24 or in a Borrowing Base Certificate or updates to the Perfection Certificate.

“**Voting Stock**” shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

“**Weighted Average Life to Maturity**” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“**Wholly Owned Subsidiary**” shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors’ qualifying shares) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership, association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% equity interest at such time.

“**Wind-Up**” shall have the meaning assigned to such term in Section 6.05(g), and “**Winding-Up**” shall have a meaning correlative thereto.

“**Withdrawal Liability**” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02 **Classification of Loans and Borrowings**. For purposes of this Agreement, Loans may be classified and referred to by Class or Sub-Class (*e.g*., a “U.S./European Revolving Loan” or a “Swiss Revolving Loan”) or by Type (*e.g*., a “Eurocurrency Loan”) or by Class (or Sub-Class) and Type (*e.g*., a “Eurocurrency U.S. Revolving Loan”). Borrowings also may be classified and referred to by Class or Sub-Class (*e.g*., a “Canadian Borrowing,”) or by Type (*e.g*., a “BA Rate Borrowing”) or by Class or Sub-Class and Type (*e.g*., a “BA Rate Canadian Borrowing”).

SECTION 1.03 **Terms Generally; Alternate Currency Transaction**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any

definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (g) "on," when used with respect to the Mortgaged Property or any property adjacent to the Mortgaged Property, means "on, in, under, above or about." For purposes of this Agreement and the other Loan Documents, (i) where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in dollars, such amounts shall be deemed to refer to Dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate in effect on the Business Day immediately preceding the date of such transaction or determination and the permissibility of actions taken under Article VI shall not be affected by subsequent fluctuations in exchange rates (provided that if Indebtedness is incurred to refinance other Indebtedness, and such refinancing would cause the applicable dollar denominated limitation to be exceeded if calculated at the Spot Selling Rate in effect on the Business Day immediately preceding the date of such refinancing, such dollar denominated restriction shall be deemed not to have been exceeded so long as (x) such refinancing Indebtedness is denominated in the same currency as such Indebtedness being refinanced and (y) the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced except as permitted by the definition of Permitted Refinancing Indebtedness) and (ii) as of any date of determination, for purposes of the pro rata application of any amounts required to be applied hereunder to the payment of Loans or other Obligations which are denominated in more than a single Approved Currency, such pro rata application shall be determined by reference to the Dollar Equivalent of such Loans or other Obligations as of such date of determination. For purposes of this Agreement and the other Loan Documents, the word "foreign" shall refer to jurisdictions other than the United States, the states thereof and the District of Columbia. For purposes of this Agreement and the other Loan Documents, the words "the applicable borrower" (or words of like import), when used with reference to obligations of any U.S. Borrower, shall refer to the U.S. Borrowers on a joint and several basis. From and after the effectiveness of the Permitted Holdings Amalgamation (x) all references to the Canadian Borrower in any Loan Document shall refer to the Successor Canadian Borrower and (y) all references to Holdings or Parent Guarantor in any Loan Document shall refer to AV Metals. Each reference to the "Issuing Bank" shall refer to the applicable Issuing Bank or Issuing Banks, as the context may require.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with GAAP as in effect from time to time and all terms of an accounting or financial nature shall be construed and interpreted in accordance with GAAP, as in effect from time to

time unless otherwise agreed to by Administrative Borrower and the Required Lenders; provided that (i) if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Administrative Borrower or the Required Lenders shall so request, the Funding Agent, the Lenders and Administrative Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Administrative Borrower shall provide to the Funding Agent and the Lenders any documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

SECTION 1.05 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

ARTICLE II.

THE CREDITS

SECTION 2.01 Commitments.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender with a U.S./European Commitment agrees, severally and not jointly, at any time and from time to time on or after the Closing Date until the earlier of the Business Day prior to the Final Maturity Date and the termination of the U.S./European Commitment of such Lender in accordance with the terms hereof, to make Revolving Loans (x) to the U.S. Borrowers, jointly and severally, in any Approved Currency (other than Canadian dollars) (each, a "**U.S. Revolving Loan**"), (y) to the Swiss Borrower, in euros or GBP (each, a "**Swiss Revolving Loan**"), and (z) to the U.K. Borrower, in euros or GBP (each, a "**U.K. Revolving Loan**" and, collectively with each Swiss Borrower Revolving Loan, each a "**European Revolving Loan**" and, the European Revolving Loans and the U.S. Revolving Loans collectively each being a "**U.S./European Revolving Loan**"), in an aggregate principal amount that does not result in:

(i) such Lender's U.S./European Revolving Exposure exceeding such Lender's U.S./European Commitment;

(ii) the Total U.S./European Revolving Exposure exceeding the Total U.S./European Commitment at such time;

(iii) the Total Adjusted Revolving Exposure exceeding the Total Adjusted Borrowing Base (subject to the Funding Agent's authority in its sole discretion to make Overadvances pursuant to the terms of Section 10.10); or

(iv) the Total Revolving Exposure exceeding the lesser of (I) the Total Borrowing Base (subject to the Funding Agent's authority in its sole discretion to make Overadvances pursuant to the terms of Section 10.10), and (II) the total Revolving Commitments.

Subject to, and to the extent provided in, Article XII, U.S./European Revolving Loans denominated in euros or GBP (each a "**Specified Foreign Currency**") that are required to be made by a Participating Specified Foreign Currency Lender pursuant to this Section 2.01 shall instead be made by LaSalle Bank N.A. and purchased and settled by such Participating Specified Foreign Currency Lender in accordance with Article XII.

(b) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender with a Canadian Commitment agrees, severally and not jointly, at any time and from time to time on or after the Closing Date until the earlier of the Business Day prior to the Final Maturity Date and the termination of the Canadian Commitment of such Canadian Lender in accordance with the terms hereof, to make Revolving Loans in dollars or Canadian dollars to Canadian Borrower (each, a "**Canadian Revolving Loan**" and, collectively with the U.S./European Revolving Loans, each being called a "**Revolving Loan**"), in an aggregate principal amount that does not result in:

(i) such Lender's Canadian Revolving Exposure exceeding such Lender's Canadian Commitment;

(ii) the Total Canadian Revolving Exposure exceeding the Total Canadian Commitment at such time;

(iii) the Total Adjusted Revolving Exposure exceeding the Total Adjusted Borrowing Base (subject to the Funding Agent's authority in its sole discretion to make Overadvances pursuant to the terms of Section 10.10); or

(iv) the Total Revolving Exposure exceeding the lesser of (I) the Total Borrowing Base (subject to the Funding Agent's authority in its sole discretion to make Overadvances pursuant to the terms of Section 10.10), and (II) the total Revolving Commitments.

(c) Within the limits set forth above and subject to the terms, conditions and limitations set forth herein, the Borrowers may borrow, pay or prepay and reborrow Revolving Loans.

(d) Notwithstanding anything to the contrary in this Agreement, the Funding Agent shall have the right to establish reserves in such amounts, and with respect to such matters, as the Funding Agent in its Permitted Discretion shall deem necessary, against the Borrowing Base, including, without limitation, (i) sums that the respective Borrowers or Borrowing Base Guarantors are or will be required to pay (such as taxes (including payroll and sales taxes), assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and have not yet paid, (ii) amounts owing by the respective Borrowers or Borrowing Base Guarantors or, without duplication, their respective Subsidiaries to any Person in respect of any Lien of the type described in the definition of

"First Priority" on any of the Collateral, which Lien, in the Permitted Discretion of the Collateral Agent, is reasonably likely to rank senior in priority to or pari passu with one or more of the Liens granted in the Security Documents in and to such item of the Collateral, (iii) an Unpaid Supplier Reserve, a Rent Reserve, and a reserve against prior claims of Logan against Inventory, in each case, against Eligible Inventory included in the Borrowing Base, and (iv) Reserves for Priority Payables against the Borrowing Base; provided, however, that (x) the Funding Agent shall have provided the Administrative Borrower at least ten (10) Business Days' prior written notice of any such establishment, (y) the Funding Agent may only establish a Reserve (other than Unpaid Supplier Reserves, Rent Reserves, Reserves for Priority Payables and any other identified Reserve in the Borrowing Base Certificate delivered on the Closing Date, which may be established based on facts known to the Funding Agent on or before the Closing Date) after the Closing Date based on any event, condition or other circumstance arising after the Closing Date or based on facts not known to the Funding Agent as of the Closing Date or based on changes in the facts known to the Funding Agent as of the Closing Date, and (z) Reserves shall not duplicate eligibility criteria contained in the definitions of "Eligible Accounts" or "Eligible Inventory" or reserves or criteria deducted in computing the cost of Eligible Inventory or the Net Recovery Cost Percentage of Eligible Inventory. The amount of any Reserve established by the Funding Agent shall have a reasonable relationship to the event, condition or other matter that is the basis for the Reserve. Upon delivery of written notice to Administrative Borrower as provided above, the Funding Agent shall be available to discuss the proposed Reserve, and the applicable Borrower or Borrowing Base Guarantor may take such action as may be required so that the event, condition or matter that is the basis for such Reserve no longer exists, in a manner and to the extent reasonably satisfactory to the Funding Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of the Funding Agent to establish such Reserve, unless the Funding Agent shall have determined in its Permitted Discretion that the event, condition or other matter that is the basis for such new Reserve no longer exists or has otherwise been adequately addressed by the Loan Parties.

SECTION 2.02 Loans.

(a) Each Loan (other than Swingline Loans) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; provided, that the failure of any Lender to make its Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Swingline Loans and Loans deemed made pursuant to Section 2.18(e)(ii), each Borrowing shall be in an aggregate principal amount that is not less than (and in integral amounts consistent with) the Minimum Currency Threshold or, if less, equal to the remaining available balance of the applicable Commitments.

(b) Subject to Section 2.11 and Section 2.12, (i) each Borrowing of Dollar Denominated Loans shall be comprised entirely of ABR Loans or Eurocurrency Loans as Administrative Borrower may request pursuant to Section 2.03 (provided that ABR Loans shall be available only with respect to Dollar Denominated Loans borrowed by U.S. Borrowers or Canadian Borrower), (ii) each Borrowing of GBP Denominated Loans or Swiss Franc Denominated Loans shall be comprised entirely of Eurocurrency Loans, (iii) each

Borrowing of Euro Denominated Loans shall be comprised entirely of EURIBOR Loans, and (iv) each Borrowing of Canadian Dollar Denominated Loans shall be comprised entirely of Canadian Base Rate Loans or BA Rate Loans as Administrative Borrower may request pursuant to Section 2.03; provided that all Loans comprising the same Borrowing shall at all times be of the same Type. Each Lender may at its option make any Eurocurrency Loan or EURIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; provided that Borrower shall not be entitled to request any Borrowing that, if made, would result in more than eight Eurocurrency Borrowings in dollars, five Eurocurrency Borrowings in GBP, eight EURIBOR Borrowings, or more than three BA Rate Borrowings outstanding hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans deemed made pursuant to Section 2.18(e)(ii) and European Swingline Loans, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in Chicago, or to such account in a European jurisdiction, as the Funding Agent may designate, not later than 11:00 a.m., Chicago time, and the Funding Agent shall promptly credit the amounts so received to an account of the applicable Borrower as directed by the Administrative Borrower in the applicable Borrowing Request maintained with the Funding Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders; provided that the funding of all U.S./European Revolving Loans that are also denominated in a Specified Foreign Currency shall also be subject to the provisions of Article XII.

(d) Unless the Funding Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Funding Agent such Lender's portion of such Borrowing, the Funding Agent may assume that such Lender has made such portion available to the Funding Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Funding Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Funding Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Funding Agent, each of such Lender and such Borrower severally agrees to repay to the Funding Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Funding Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the greater of the Interbank Rate and a rate determined by the Funding Agent in accordance with banking industry rules on interbank compensation. If such Lender shall repay to the Funding Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and the applicable Borrower's obligation to repay the Funding Agent such corresponding amount pursuant to this Section 2.02(d) shall cease.

(e) Notwithstanding anything to the contrary contained herein, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Final Maturity Date.

SECTION 2.03 Borrowing Procedure.

(a) To request a Borrowing (subject to Section 2.17(e) with respect to European Swingline Loans), the Administrative Borrower, on behalf of the applicable Borrower, shall deliver, by hand delivery, telecopier or, to the extent separately agreed by the Funding Agent, by an electronic communication in accordance with the second sentence of Section 11.01(b) and the second paragraph of Section 11.01(d), a duly completed and executed Borrowing Request to the Funding Agent (i) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., Chicago time, three (3) Business Days before the date of the proposed Borrowing, (ii) in the case of a BA Rate Loan, not later than 11:00 a.m., Chicago time, two (2) Business Days before the date of the proposed Borrowing, (iii) in the case of a EURIBOR Borrowing, not later than 11:00 a.m., Chicago time, three (3) Business Days before the date of the proposed Borrowing, (iv) in the case of a Canadian Base Rate Borrowing, not later than 11:00 a.m., Chicago time, one (1) Business Day before the date of the proposed Borrowing, or (v) in the case of an ABR Borrowing, not later than 9:00 a.m., Chicago time, on the date of the proposed Borrowing. Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing shall constitute a Borrowing of U.S. Revolving Loans, U.K. Revolving Loans, Swiss Revolving Loans, or Canadian Revolving Loans;

(iv) in the case of Dollar Denominated Loans made to U.S. Borrowers or to Canadian Borrower, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(v) in the case of Canadian Dollar Denominated Loans, whether such Borrowing is to be a Canadian Base Rate Borrowing or a BA Rate Borrowing;

(vi) in the case of a Eurocurrency Borrowing, EURIBOR Borrowing or BA Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated, as applicable, by the definition of the term “Eurocurrency Interest Period,” “EURIBOR Interest Period” or “BA Rate Interest Period”;

(vii) the location and number of the applicable Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c);

(viii) that the conditions set forth in Section 4.02(b) — (d) have been satisfied as of the date of the notice; and

(ix) in the case of a Eurocurrency Borrowing, Canadian Base Rate Borrowing or BA Rate Borrowing in an Alternate Currency, the Approved Currency for such Borrowing.

If no election as to the Type of Borrowing is specified with respect to a Borrowing of Dollar Denominated Loans made to U.S. Borrowers or to Canadian Borrower or Canadian Dollar Denominated Loans, then the requested Borrowing shall be an ABR Borrowing or Canadian Base Rate Borrowing, as applicable. If no Interest Period is specified with respect to any requested EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing, then the Administrative Borrower on behalf of the applicable Borrower shall be deemed to have selected an Interest Period, as applicable, of one month's or thirty days' duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Funding Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(b) Appointment of Administrative Borrower. Each Borrower hereby irrevocably appoints and constitutes Administrative Borrower as its agent to request Loans and Letters of Credit pursuant to this Agreement in the name or on behalf of such Borrower. The Funding Agent and Lenders may disburse the Loans to such bank account of Administrative Borrower or a Borrower or otherwise make such Loans to a Borrower and provide such Letters of Credit to a Borrower as Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. Administrative Borrower hereby accepts the appointment by Borrowers to act as the agent of Borrowers and agrees to ensure that the disbursement of any Loans to a Borrower requested by or paid to or for the account of such Borrower, or the issuance of any Letter of Credit for a Borrower hereunder, shall be paid to or for the account of such Borrower. Each Borrower hereby irrevocably appoints and constitutes Administrative Borrower as its agent to receive statements on account and all other notices from the Agents and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents, including the Intercreditor Agreement. Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower by Administrative Borrower shall be deemed for all purposes to have been made by such Borrower, as the case may be, and shall be binding upon and enforceable against such Borrower to the same extent as if made directly by such Borrower. No purported termination of the appointment of Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to Funding Agent and appointment by the Borrowers of a replacement Administrative Borrower.

(c) Appointment of European Administrative Borrower. Each U.K. and Swiss Borrower hereby irrevocably appoints and constitutes European Administrative Borrower as its agent to request Loans and Letters of Credit pursuant to this Agreement in the name or on behalf of such Borrower. The Funding Agent and Lenders may disburse the Loans to such bank account of European Administrative Borrower or a U.K. and Swiss Borrower or otherwise make such Loans to a U.K. or Swiss Borrower and provide such Letters of Credit to a U.K. or Swiss Borrower as European Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. European Administrative Borrower hereby accepts the appointment by the U.K. and Swiss Borrowers to act as the agent of such Borrowers and agrees to ensure that the disbursement of any Loans to a U.K. or Swiss Borrower requested by or paid to or for the account of such Borrower, or the issuance of any

Letter of Credit for a U.K. or Swiss Borrower hereunder, shall be paid to or for the account of such Borrower. Each U.K. and Swiss Borrower hereby irrevocably appoints and constitutes European Administrative Borrower as its agent to receive statements on account and all other notices from the Agents and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents. Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower by European Administrative Borrower shall be deemed for all purposes to have been made by such Borrower, as the case may be, and shall be binding upon and enforceable against such Borrower to the same extent as if made directly by such Borrower. No purported termination of the appointment of European Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to Funding Agent and appointment by the U.K. and Swiss Borrowers of a replacement European Administrative Borrower.

SECTION 2.04 Evidence of Debt.

(a) Promise to Repay. Each U.S. Borrower, jointly and severally, hereby unconditionally promises to pay to the Funding Agent, for the account of each applicable Revolving Lender (or, in the case of U.S. Swingline Loans, the U.S. Swingline Lender in accordance with Section 2.17(a)), the then unpaid principal amount of each U.S. Revolving Loan of such Revolving Lender on the Final Maturity Date. The Swiss Borrower hereby unconditionally promises to pay (i) to the Funding Agent, for the account of each applicable Revolving Lender, the then unpaid principal amount of each Swiss Revolving Loan of such Revolving Lender on the Final Maturity Date and (ii) to the European Swingline Lender, the then unpaid principal amount of each European Swingline Loan on the earlier of the Final Maturity Date and the last day of the Interest Period for such Loan. The U.K. Borrower hereby unconditionally promises to pay to the Funding Agent, for the account of each applicable Revolving Lender, the then unpaid principal amount of each U.K. Revolving Loan of such Revolving Lender on the Final Maturity Date. The Canadian Borrower hereby unconditionally promises to pay to the Funding Agent, for the account of each applicable Revolving Lender, the then unpaid principal amount of each Canadian Revolving Loan of such Revolving Lender on the Final Maturity Date. All payments or repayments of Loans made pursuant to this Section 2.04(a) shall be made in the Approved Currency in which such Loan is denominated.

(b) Lender and Funding Agent Records. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Funding Agent shall maintain accounts in which it will record (i) the amount and Approved Currency of each Loan made hereunder, the Borrower or Borrowers to which such Loan is made, the Type, Class and Sub-Class thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder; and (iii) the amount of any sum received by the Funding Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded as well as the Borrower or Borrowers which received such Loans or Letters

of Credit; provided that the failure of any Lender or the Funding Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower to repay the Loans in accordance with their terms.

(c) Promissory Notes. Any Lender by written notice to the Administrative Borrower (with a copy to the Funding Agent) may request that Loans of any Class and Sub-Class made by it be evidenced by a promissory note. In such event, the applicable Borrower or Borrowers shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender or its registered assigns in the form of Exhibit K-1, K-2 or K-3, as the case may be. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to such payee or its registered assigns. If, because of fluctuations in exchange rates after the date of issuance thereof, any such Note would not be at least as great as the Dollar Equivalent of the outstanding principal amount of the Loans made by such Lender evidenced thereby at any time outstanding, such Lender may request (and in such case the applicable Borrowers shall promptly execute and deliver) a new Note in an amount equal to the Dollar Equivalent of the aggregate principal amount of such Loans of such Lender outstanding on the date of the issuance of such new Note.

SECTION 2.05 Fees.

(a) Commitment Fee. The Borrowers (other than the Canadian Borrower), jointly and severally, agree to pay to the Funding Agent for the account of each Lender having a U.S./European Commitment a commitment fee (a "**U.S./European Commitment Fee**") denominated in Dollars on the actual daily amount by which the Total U.S./European Commitment exceeds the Total U.S./European Revolving Exposure, and the Canadian Borrower agrees to pay to the Canadian Funding Agent for the account of each Canadian Lender a commitment fee (the **"Canadian Commitment Fee"** and, together with the U.S./European Commitment Fee, the **"Commitment Fee"**), denominated in Dollars on the actual daily amount by which the Total Canadian Commitment exceeds the Total Canadian Exposure, in each case from and including the date hereof to but excluding the date on which such Revolving Commitment terminates at a rate per annum equal to the Applicable Fee. Accrued Commitment Fees shall be payable in arrears (A) on the last Business Day of each month, commencing July 31, 2007, and (B) on the date on which such Revolving Commitment terminates. Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing Commitment Fees with respect to Revolving Commitments, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans, Swingline Exposure and LC Exposure of such Lender.

(b) Fee Letter. Canadian Borrower agrees to pay or to cause the applicable Borrower to pay all Fees payable pursuant to the Fee Letter, in the amounts and on the dates set forth therein.

(c) LC and Fronting Fees. The applicable Borrower agrees to pay (i) to the Funding Agent for the account of each Lender having a U.S./European Commitment a

participation fee ("**LC Participation Fee**") with respect to its participations in Letters of Credit, which shall accrue at a rate equal to the Applicable Margin from time to time used to determine the interest rate on (A) with regard to Letters of Credit denominated in dollars or GBP, Eurocurrency Loans, (B) with regard to Letters of Credit denominated in euros, EURIBOR Loans, and (C) with regard to Letters of Credit denominated in Canadian Dollars, BA Rate Loans, in each case pursuant to Section 2.06 on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the applicable Issuing Bank a fronting fee ("**Fronting Fee**"), which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure of such Issuing Bank (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which such Issuing Bank ceases to have any LC Exposure, as well as the Issuing Bank's customary fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Accrued LC Participation Fees and Fronting Fees shall be payable in arrears (i) on the last Business Day of each month, commencing on July 31, 2007, and (ii) on the date on which the Revolving Commitments terminate. Any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand therefor. All LC Participation Fees and Fronting Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). If at any time any principal of or interest on any Loan or any fee or other amount payable by the Loan Parties hereunder has not been paid when due, whether at stated maturity, upon acceleration or otherwise, the LC Participation Fee shall be increased to a per annum rate equal to 2% plus the otherwise applicable rate with respect thereto for so long as such overdue amounts have not been paid.

(d) All Fees shall be paid on the dates due, in immediately available funds in dollars, to the Funding Agent for distribution, if and as appropriate, among the Lenders, except that Borrowers shall pay the Fronting Fees directly to the Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06 Interest on Loans.

(a) ABR Loans. Subject to the provisions of Section 2.06(f), the Loans comprising each ABR Borrowing, including each Swingline Loan, shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin in effect from time to time.

(b) Eurocurrency Loans. Subject to the provisions of Section 2.06(f), the Loans comprising each Eurocurrency Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(c) Canadian Base Rate Loans. Subject to the provisions of Section 2.06(f), the Loans comprising each Canadian Base Rate Borrowing shall bear interest at a rate per annum equal to the Canadian Base Rate plus the Applicable Margin in effect from time to time.

(d) BA Rate Loans. Subject to the provisions of Section 2.06(f), the Loans comprising each BA Rate Borrowing shall bear interest at a rate per annum equal to the BA Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(e) EURIBOR Loans. Subject to the provisions of Section 2.06(f), the Loans comprising each EURIBOR Borrowing shall bear interest at a rate per annum equal to the Adjusted EURIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(f) Default Rate. Notwithstanding the foregoing, if at any time any principal of or interest on any Loan or any fee or other amount payable by the Loan Parties hereunder has not been paid when due, whether at stated maturity, upon acceleration or otherwise and for so long as such amounts have not been paid, all Obligations shall, to the extent permitted by applicable law, bear interest, after as well as before judgment, at a per annum rate equal to (i) in the case of principal of or interest on any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.06 or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Revolving Loans as provided in Section 2.06(a) (in either case, the "**Default Rate**").

(g) Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to Section 2.06(f) shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan, Canadian Base Rate Loan or a Swingline Loan without a permanent reduction in Revolving Commitments), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any EURIBOR Loan, Eurocurrency Loan or BA Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(h) Interest Calculation. All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Alternate Base Rate or Canadian Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and (ii) interest computed by reference to the BA Rate or Eurocurrency Loans by way of GBP shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Canadian Base Rate, BA Rate, Adjusted EURIBOR Rate or Adjusted LIBOR Rate shall be determined by the Funding Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

(i) Currency for Payment of Interest. All interest paid or payable pursuant to this Section 2.06 shall be paid in the Approved Currency in which the Loan giving rise to such interest is denominated.

(j) Swiss Minimum Interests Rates and Payments. The various rates of interests provided for in this Agreement (including, without limitation, under this Section 2.06) are minimum interest rates.

(i) When entering into this Agreement, each party hereto has assumed that the payments required under this Agreement are not and will not become subject to Swiss Withholding Tax. Notwithstanding that the parties hereto do not anticipate that any payment will be subject to Swiss Withholding Tax, they agree that, if (A) Swiss Withholding Tax should be imposed on interest or other payments (the "**Relevant Amount**") by a Swiss Loan Party and (B) Section 2.15 should be held unenforceable, then the applicable interest rate in relation to that interest payment shall be: (x) the interest rate which would have been applied to that interest payment (as provided for in the absence of this Section 2.06(j); divided by (y) 1 minus the minimal permissible rate at which the relevant Tax Deduction is required to be made in view of domestic tax law and/or applicable Treaties (where the rate at which the relevant Tax Deduction is required to be made is, for this purpose, expressed as a fraction of one (1)) and all references to a rate of interest under such Loan shall be construed accordingly. For this purpose, the Swiss Withholding Tax shall be calculated on the amount so recalculated.

(ii) The Swiss Borrower shall not be required to make an increased payment to any specific Lender (but without prejudice to the rights of all other Lenders hereunder) under paragraph (i) above or under Section 2.15 in connection with a Swiss Withholding Tax if the Swiss Borrower has breached the Ten Non-Bank Regulations and/or Twenty Non-Bank Regulations as a direct result of (A) the incorrectness of the representation made by such Lender pursuant to Section 2.21 if such Lender specified that it was a Swiss Qualifying Bank or (B) such Lender, as assignee or participant, breaching the requirements and limitations for transfers, assignments or participations pursuant to Section 11.04 or (C) if Section 2.15 does not provide for an obligation to make increased payments.

(iii) For the avoidance of doubt, the Swiss Borrower shall be required to make an increased payment to a specific Lender under paragraph (i) above in connection with the imposition of a Swiss Withholding Tax (A) if the Swiss Borrower has breached the Ten Non-Bank Regulations and/or the Twenty Non-Bank Regulations as a result of its failure to comply with the provisions of Section 3.23 or, (B) if after a Significant Event of Default or Conversion Event, lack of compliance with the Ten Non-Bank Regulations and/or the Twenty Non-Bank Regulations as a result of assignments or participation effected in accordance herewith, or (C) following a change of law or practice in relation with the Ten Non-Bank Regulations and/or the Twenty Non-Bank Regulations Swiss Withholding Tax becomes due on interest payments made by Swiss Borrower and Section 2.15 is not enforceable.

(iv) If requested by the Funding Agent, a Swiss Loan Party shall provide to the Funding Agent those documents which are required by law and applicable double taxation treaties to be provided by the payer of such tax for each relevant Lender to prepare a claim for refund of Swiss Withholding Tax. In the event Swiss Withholding Tax is refunded to the Lender

by the Swiss Federal Tax Administration, the relevant Lender shall forward, after deduction of costs, such amount to the Swiss Loan Party; provided, however, that (i) the relevant Swiss Loan Party has fully complied with its obligations under this Section 2.06(j); (ii) the relevant Lender may determine, in its sole discretion, consistent with the policies of such Lender, the amount of the refund attributable to Swiss Withholding Tax paid by the relevant Swiss Loan Party; (iii) nothing in this Agreement shall require the Lender to disclose any confidential information to the Swiss Loan Party (including, without limitation, its tax returns); and (iv) no Lender shall be required to pay any amounts pursuant to this Section 2.06(j)(iv) at any time during which a Default or Event of Default exists.

SECTION 2.07 Termination and Reduction of Commitments.

(a) Termination of Commitments. The Revolving Commitments, the European Swingline Commitment, the U.S./European LC Commitment and the Canadian LC Commitment shall automatically terminate on the Final Maturity Date. Notwithstanding the foregoing, all the Commitments shall automatically terminate at 4:00 p.m., Chicago time, on July 11, 2007, if the initial Credit Extension shall not have occurred by such time.

(b) Optional Terminations and Reductions. At its option, Administrative Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $1.0 million and not less than $5.0 million and (ii) the Revolving Commitments shall not be terminated or reduced if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the aggregate amount of Revolving Exposures would exceed the aggregate amount of Revolving Commitments, the Total U.S./European Revolving Exposures would exceed the Total U.S./European Commitment, or the Total Canadian Revolving Exposures would exceed the Total Canadian Commitment.

(c) Borrower Notice. Administrative Borrower shall notify the Funding Agent in writing of any election to terminate or reduce the Commitments under Section 2.07(b) at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Funding Agent shall advise the Lenders of the contents thereof. Each notice delivered by Administrative Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by Administrative Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be (subject to payment of any amount pursuant to Section 2.13) revoked by Administrative Borrower (by notice to the Funding Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.08 Interest Elections.

(a) Generally. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a EURIBOR Borrowing, Eurocurrency

Borrowing or BA Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, Administrative Borrower may elect to convert such Borrowing to a different Type (in the case of Dollar Denominated Loans made to U.S. Borrowers or to Canadian Borrower, to an ABR Borrowing or a Eurocurrency Borrowing, and in the case of Canadian Dollar Denominated Loans, to a Canadian Base Rate Borrowing or a BA Rate Borrowing) or to rollover or continue such Borrowing and, in the case of a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section. Borrowings consisting of Alternate Currency Revolving Loans (other than Borrowings consisting of Loans in Canadian Dollars) may not be converted to a different Type. Administrative Borrower may elect different options with respect to different portions (not less than the Minimum Currency Threshold) of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary, Borrowers shall not be entitled to request any conversion, rollover or continuation that, if made, would result in more than eight Eurocurrency Borrowings in dollars, five Eurocurrency Borrowings in GBP, eight EURIBOR Borrowings, or more than three BA Rate Borrowings outstanding hereunder at any one time. This Section shall not apply to Swingline Loans, which may not be converted or continued.

(b) Interest Election Notice. To make an election pursuant to this Section, Administrative Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Interest Election Request to the Funding Agent not later than the time that a Borrowing Request would be required under Section 2.03 if Administrative Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each Interest Election Request shall be irrevocable. Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) through (v) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) in the case of Dollar Denominated Loans made to U.S. Borrowers or to Canadian Borrower, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) in the case of Canadian Dollar Denominated Loans, whether such Borrowing is to be a Canadian Base Rate Borrowing or a BA Rate Borrowing;

(v) if the resulting Borrowing is a EURIBOR Borrowing, a Eurocurrency Borrowing or BA Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated, as applicable, by the definition of the

term “EURIBOR Interest Period,” “Eurocurrency Interest Period” or “BA Rate Interest Period”; and

(vi) in the case of a Borrowing consisting of Alternate Currency Revolving Loans, the Alternate Currency of such Borrowing.

If any such Interest Election Request requests a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing but does not specify an Interest Period, then Borrowers shall be deemed to have selected an Interest Period of one month’s or thirty days’ duration.

Promptly following receipt of an Interest Election Request, the Funding Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(c) Automatic Conversion to Base Rate Borrowing. If an Interest Election Request with respect to a Eurocurrency Borrowing made to U.S. Borrowers or to Canadian Borrower in dollars is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. If an Interest Election Request with respect to a BA Rate Borrowing is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Canadian Base Rate Borrowing. EURIBOR Borrowings and Eurocurrency Borrowings denominated in an Alternate Currency, and Eurocurrency Borrowings made to Swiss Borrower or U.K. Borrower and denominated in dollars, shall not be converted to a Base Rate Borrowing, but shall be continued as Loans of the same Type with a one month Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Funding Agent or the Required Lenders may require, by notice to Administrative Borrower, that (i) no outstanding Borrowing may be converted to or continued as a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing and (ii) unless repaid, each Eurocurrency Borrowing or BA Rate Borrowing (other than a Borrowing of Alternate Currency Loans or a Eurocurrency Borrowing made to Swiss Borrower or U.K. Borrower and denominated in dollars, but including a Borrowing of Canadian Dollars) shall be converted to an ABR Borrowing or a Canadian Base Rate Borrowing, as the case may be, at the end of the Interest Period applicable thereto.

SECTION 2.09 Special Provisions Applicable to Lenders Upon the Occurrence of a Conversion Event.

(a) Conversion Events. On the date of the occurrence of a Conversion Event, automatically (and without the taking of any action) (x) all then outstanding Non-Dollar Denominated Loans shall be automatically converted into Loans of the respective Class and Sub-Class maintained in dollars (in an amount equal to the Dollar Equivalent of the aggregate principal amount of the respective Loans on the date such Conversion Event first occurred, which Loans (i) shall continue to be owed by the applicable Borrower, and (ii) shall at all times thereafter be deemed to be Base Rate Loans and (y) all principal, accrued and unpaid interest and other amounts owing with respect to such Non-Dollar Denominated Loans shall

be payable in dollars, taking the Dollar Equivalent of such principal, accrued and unpaid interest and other amounts. The occurrence of any conversion of Non-Dollar Denominated Loans to Base Rate Loans as provided above in this Section 2.09(a) shall be deemed to constitute for purposes of Section 2.13, a prepayment of Loans before the last day of any Interest Period relating thereto.

(b) Certain Participations Upon Conversion Event. On the date of the occurrence of any Conversion Event (i) if any European Swingline Loans are outstanding, the U.S./European Lenders shall be deemed to have purchased participations therein in accordance with Section 2.17(g), and shall promptly make payment therefor in accordance therewith, (ii) if any U.S. Swingline Loans are outstanding, the U.S. European Lenders shall promptly make payment therefore in accordance with Section 2.17(c) and (iii) if there have been any LC Disbursements pursuant to Letters of Credit which have not yet been reimbursed to the respective Issuing Lender pursuant to Section 2.18(e), the applicable Lenders shall each make payments to the Issuing Lender therefor in accordance with the requirements of Section 2.18(e). Each Lender which is required to make payments pursuant to the immediately preceding sentence shall be obligated to do so in accordance with the terms of this Agreement.

SECTION 2.10 Optional and Mandatory Prepayments of Loans.

(a) Optional Prepayments. Borrowers shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section 2.10 and subject to the provisions of Section 9.01(e); provided that each partial prepayment shall be in a principal amount that is not less than (and in integral amounts consistent with) the Minimum Currency Threshold or, if less, the outstanding principal amount of such Borrowing.

(b) Certain Revolving Loan Prepayments.

(i) In the event of the termination of all the Revolving Commitments, each Borrower shall, on the date of such termination, repay or prepay all its outstanding Borrowings and all its outstanding Swingline Loans and replace all outstanding Letters of Credit or cash collateralize all its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i).

(ii) In the event of the termination of all the U.S./European Commitments, each applicable Borrower shall, on the date of such termination, repay or prepay all its outstanding U.S./European Borrowings and all its outstanding Swingline Loans and replace all its outstanding Letters of Credit or cash collateralize all its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i).

(iii) In the event of the termination of all the Canadian Commitments, the Canadian Borrower shall, on the date of such termination, repay or prepay all its outstanding Canadian Borrowings and replace all its outstanding Canadian Letters of Credit or cash collateralize all its outstanding Canadian Letters of Credit in accordance with the procedures set forth in Section 2.18(i).

(iv) In the event of any partial reduction of the U.S./European Commitments, then (x) at or prior to the effective date of such reduction, the Funding Agent shall notify Administrative Borrower and the applicable Revolving Lenders of the sum of the Revolving Exposures and of the Total U.S./European Revolving Exposures after giving effect thereto and (y) if the sum of the Revolving Exposures would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, or if the Total U.S./European Revolving Exposures would exceed the Total U.S./European Commitment after giving effect to such reduction, each applicable Borrower shall, on the date of such reduction, *first*, repay or prepay its Swingline Loans, *second*, repay or prepay its Borrowings and *third*, replace its outstanding Letters of Credit or cash collateralize its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(v) In the event of any partial reduction of the Canadian Commitments, then (x) at or prior to the effective date of such reduction, the Funding Agent shall notify Administrative Borrower and the applicable Revolving Lenders of the sum of the Revolving Exposures and of the Total Canadian Revolving Exposures after giving effect thereto and (y) if the sum of the Revolving Exposures would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, or if the Total Canadian Revolving Exposures would exceed the Total Canadian Commitment after giving effect to such reduction, then Canadian Borrower shall, on the date of such reduction, *first*, repay or prepay its Borrowings and *second*, replace its outstanding Canadian Letters of Credit or cash collateralize its outstanding Canadian Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(vi) In the event that the Total U.S./European Revolving Exposure exceeds the Total U.S./European Commitment then in effect (including on any date on which Dollar Equivalents are determined pursuant to the definition thereof), each applicable Borrower shall, without notice or demand, immediately *first*, repay or prepay its Borrowings, and *second*, replace its outstanding Letters of Credit or cash collateralize its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(vii) In the event that the Total Canadian Revolving Exposure exceeds the Total Canadian Commitment then in effect (including on any date on which Dollar Equivalents are determined pursuant to the definition thereof), Canadian Borrower shall, without notice or demand, immediately *first*, repay or prepay its Canadian Borrowings, and *second*, replace its outstanding Canadian Letters of Credit or cash collateralize its outstanding Canadian Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(viii) In the event that (A) the aggregate U.S./European LC Exposure exceeds the U.S./European LC Commitment then in effect or (B) the aggregate Canadian LC Exposure exceeds the Canadian LC Commitment then in effect (in each case including on any date on which Dollar Equivalents are determined pursuant to the definition thereof), each applicable Borrower shall, without notice or demand, immediately replace its outstanding Letters of Credit

or cash collateralize its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(ix) In the event that (A) the Total Revolving Exposure exceeds the Total Borrowing Base then in effect, or (B) the Total Adjusted Revolving Exposure exceeds the Total Adjusted Borrowing Base then in effect, each applicable Borrower shall, without notice or demand, immediately *first*, repay or prepay its Borrowings, and *second*, replace its outstanding Letters of Credit or cash collateralize its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess; provided that to the extent such excess results solely by reason of a change in exchange rates, unless a Default or an Event of Default has occurred and is continuing, no Borrower shall be required to make such repayment, replacement or cash collateralization unless the amount of such excess is greater than 5% of the Total Borrowing Base or Total Adjusted Borrowing Base, as the case may be (in which event the applicable Borrowers shall make such replacements or cash collateralization so as to eliminate such excess in its entirety).

(x) In the event that the Total Revolving Exposure exceeds the total Revolving Commitments then in effect, each applicable Borrower shall, without notice or demand, immediately *first*, repay or prepay its Borrowings, and *second*, replace its outstanding Letters of Credit or cash collateralize its outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i), in an aggregate amount sufficient to eliminate such excess.

(xi) In the event an Activation Notice has been given (as contemplated by Section 9.01), Borrowers shall pay all proceeds of Collateral (other than proceeds of Term Loan Priority Collateral) into the Collection Account, for application in accordance with Section 9.01(e).

(c) Asset Sales. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds of any Asset Sale by Holdings or any of its Subsidiaries, Borrowers shall make (in addition to any prepayments required by Section 2.10(b) (which shall be made regardless of whether any prepayment is required under this paragraph (c)), prepayments in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that:

(i) no such prepayment shall be required under this Section 2.10(c) with respect to (A) any Asset Sale permitted by Section 6.06 other than clauses (b), (i) and (k) thereof, (B) the disposition of property which constitutes a Casualty Event, or (C) Asset Sales for fair market value resulting in less than $5.0 million in Net Cash Proceeds in any fiscal year; and

(ii) subject to any requirement for a prepayment made under Section 2.10(b) and so long as no Event of Default or Cash Dominion Trigger Event shall then exist or would arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that Administrative Borrower shall have delivered an Officers' Certificate to the Funding Agent on or prior to such date stating that such Net Cash Proceeds are expected to be reinvested in fixed or capital assets or to make Permitted Acquisitions (and, in the case of Net Cash Proceeds from an Asset Sale made pursuant to Section 6.06(k), such Net Cash Proceeds may also be used

to make investments in joint ventures so long as a Company owns at least 50% of the Equity Interests in such joint venture) within 365 days following the date of such Asset Sale (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); provided that if all or any portion of such Net Cash Proceeds is not so reinvested within such 365-day period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(c); provided, further, that if the property subject to such Asset Sale constituted Collateral, then all property purchased with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the Lien of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Section 5.11 and Section 5.12.

(d) Debt Issuance or Preferred Stock Issuance. (i) Not later than one (1) Business Day following the receipt of any Net Cash Proceeds of any Debt Issuance by Holdings or any of its Subsidiaries, Borrowers shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; and (ii) not later than one (1) Business day following the receipt of any Net Cash Proceeds of any Preferred Stock Issuance made when Excess Availability is less than $90 million immediately prior to or after giving effect to such prepayment and all Credit Extensions on such date, Borrowers shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount equal to the lesser of 100% of such Net Cash Proceeds and the amount of such prepayment that results in Excess Availability being $90 million after giving effect to such prepayment and all Credit Extensions on such date.

(e) Equity Issuance. Not later than one (1) Business Day following the receipt of any Net Cash Proceeds of any Equity Issuance made when Excess Availability is less than $90 million immediately prior to or after giving effect to such Equity Issuance and all Credit Extensions on such date, Borrowers shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount equal to the lesser of 50% of such Net Cash Proceeds and the amount of such prepayment that results in Excess Availability being $90 million after giving effect to such prepayment and all Credit Extensions on such date (it being agreed that the Borrowers may use the remaining Net Cash Proceeds to make required prepayments on the Term Loan); provided, however, that if on the date of such Equity Issuance, (i) no Default has occurred and is continuing and (ii) the Total Leverage Ratio is less than 3.0 to 1.0, then no such prepayment shall be required to be made in respect of such Equity Issuance; provided, further, that this clause (e) shall not apply to the proceeds of any Qualified Capital Stock issued by Holdings after the Closing Date to the Acquiror or any of its Affiliates.

(f) Casualty Events. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by Holdings or any of its Subsidiaries, Borrowers shall make (in addition to any prepayments required by Section 2.10(b) (which shall be made regardless of whether any prepayment is required under this paragraph (c)), prepayments in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that:

(i) so long as no Event of Default or Cash Dominion Trigger Event shall then exist or arise therefrom, such proceeds (other than amounts required under Section 2.10(b) to be

prepaid) shall not be required to be so applied on such date to the extent that (A) in the event such Net Cash Proceeds exceed $1 million but shall not exceed $20.0 million, Administrative Borrower shall have delivered an Officers' Certificate to the Funding Agent on or prior to such date stating that such proceeds are expected to be used, or (B) in the event that such Net Cash Proceeds exceed $20.0 million, the Funding Agent has consented by notice to Administrative Borrower on or prior to such date to allowing such proceeds to be used, in each case, to repair, replace or restore any property in respect of which such Net Cash Proceeds were paid or to reinvest in other fixed or capital assets, no later than 365 days following the date of receipt of such proceeds; provided that if the property subject to such Casualty Event constituted Collateral under the Security Documents, then all property purchased with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the Lien of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Section 5.11 and Section 5.12; and

(ii) if any portion of such Net Cash Proceeds shall not be so applied within such 365-day period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(f).

(g) Closing Date Cash Flows. Not later than two (2) Business Days following the Closing Date, Borrowers shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount such that after giving effect thereto, Excess Availability as of the Closing Date would have been not less than $300 million if such prepayment had been made on the Closing Date.

(h) Application of Prepayments. (i) Prior to any optional or mandatory prepayment hereunder, Administrative Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(i), subject to the provisions of this Section 2.10(h), provided that after an Activation Notice has been delivered, Section 9.01(e) shall apply, provided, further, that notwithstanding the foregoing, after an Event of Default has occurred and is continuing or after the acceleration of the Obligations, Section 8.03 shall apply. Any mandatory prepayment shall be made without reduction to the Revolving Commitments.

(ii) Amounts to be applied pursuant to this Section 2.10 to the prepayment of Revolving Loans by a Borrower shall be applied, as applicable, first to reduce outstanding Swingline Loans, and then to reduce other outstanding Base Rate Loans of that Borrower. Any amounts remaining after each such application shall be applied to prepay EURIBOR Loans, Eurocurrency Loans or BA Rate Loans, as applicable, of that Borrower. Notwithstanding the foregoing, if the amount of any prepayment of Loans required under this Section 2.10 shall be in excess of the amount of the Base Rate Loans (including Swingline Loans) at the time outstanding (an "**Excess Amount**"), only the portion of the amount of such prepayment as is equal to the amount of such outstanding Base Rate Loans (including Swingline Loans) shall be immediately prepaid and, at the election of Administrative Borrower, the Excess Amount shall be either (A) deposited in an escrow account on terms satisfactory to the Collateral Agent and applied to the prepayment of EURIBOR Loans, Eurocurrency Loans or BA Rate Loans on the last day of the then next-expiring Interest Period for EURIBOR Loans, Eurocurrency Loans or BA Rate Loans; provided that (i) interest in respect of such Excess Amount shall continue to accrue thereon at the rate

provided hereunder for the Loans which such Excess Amount is intended to repay until such Excess Amount shall have been used in full to repay such Loans and (ii) at any time while an Event of Default has occurred and is continuing, the Funding Agent may, and upon written direction from the Required Lenders shall, apply any or all proceeds then on deposit to the payment of such Loans in an amount equal to such Excess Amount or (B) prepaid immediately, together with any amounts owing to the Lenders under Section 2.13.

(i) Notice of Prepayment. Administrative Borrower or European Administrative Borrower, as applicable, shall notify the Funding Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by written notice of any prepayment hereunder (i) in the case of prepayment of a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing, not later than 11:00 a.m., Chicago time, three (3) Business Days before the date of prepayment, (ii) in the case of prepayment of a Base Rate Borrowing, not later than 11:00 a.m., Chicago time, one (1) Business Day before the date of prepayment, (iii) in the case of prepayment of a U.S. Swingline Loan, not later than 11:00 a.m., Chicago time, on the date of prepayment, and (iv) in the case of prepayment of a European Swingline Loan, not later than 11:00 a.m., Zurich time, on the date of prepayment. Each such notice shall be irrevocable; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such termination is revoked in accordance with Section 2.07. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Funding Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Credit Extension of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

SECTION 2.11 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing:

(a) the Funding Agent determines (which determination shall be final and conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted EURIBOR Rate, Adjusted LIBOR Rate or BA Rate for such Interest Period or that any Alternate Currency is not available to the Lenders in sufficient amounts to fund any Borrowing consisting of Alternate Currency Revolving Loans; or

(b) the Funding Agent is advised in writing by the Required Lenders that the Adjusted EURIBOR Rate, the Adjusted LIBOR Rate or BA Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Funding Agent shall give written notice thereof to Administrative Borrower and the Lenders as promptly as practicable thereafter and, until the Funding Agent notifies

Administrative Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a EURIBOR Borrowing, Eurocurrency Borrowing or BA Rate Borrowing, as applicable, shall be ineffective and (ii) if any Borrowing Request requests a Eurocurrency Borrowing in Dollars or a BA Rate Borrowing in Canadian Dollars, such Borrowing shall be made as an ABR Borrowing or a Canadian Base Rate Borrowing, as the case may be, and Borrowing Requests for any affected Alternate Currency Revolving Loans (other than Loans in Canadian Dollars) or European Swingline Loans shall not be effective.

SECTION 2.12 Yield Protection; Change in Law Generally.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in, by any Lender (except any reserve requirement reflected in the Adjusted LIBOR Rate or the Adjusted EURIBOR Rate, as applicable) or the Issuing Bank;

(ii) subject any Lender or the Issuing Bank to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any EURIBOR Loan, Eurocurrency Loan or BA Rate Loan made by it, or change the basis of taxation of payments to such Lender or the Issuing Bank in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.15 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the Issuing Bank); or

(iii) impose on any Lender or the Issuing Bank or the interbank market any other condition, cost or expense affecting this Agreement or EURIBOR Loans, Eurocurrency Loans or BA Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any EURIBOR Loan, any Eurocurrency Loan or BA Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, the Issuing Bank or such Lender’s or the Issuing Bank’s holding company, if any, of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then, upon request of such Lender or the Issuing Bank, Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the Issuing Bank determines (in good faith, but in its sole absolute discretion) that any Change in Law affecting such Lender or the Issuing Bank or any lending office of such Lender or such Lender’s or the Issuing Bank’s holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender’s or the Issuing Bank’s capital or on the capital of such Lender’s or the Issuing Bank’s holding company, if any, as a consequence of this

Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.12 and delivered to Administrative Borrower shall be conclusive absent manifest error. Borrowers shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that Borrowers shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies Administrative Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Change in Legality Generally. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurocurrency Loan or any EURIBOR Loan, or to give effect to its obligations as contemplated hereby with respect to any Eurocurrency Loan or any EURIBOR Loan, then, upon written notice by such Lender to Administrative Borrower and the Funding Agent:

(i) the Commitments of such Lender (if any) to fund the affected Type of Loan shall immediately terminate;

(ii) in the case of Dollar Denominated Loans, (x) such Lender may declare that Eurocurrency Loans will not thereafter (for the duration of such unlawfulness) be continued for additional Interest Periods and ABR Loans will not thereafter (for such duration) be converted into Eurocurrency Loans, whereupon any request to convert an ABR Borrowing to a Eurocurrency Borrowing or to continue a Eurocurrency Borrowing for an additional Interest Period shall, as to such Lender only, be deemed a request to continue an ABR Loan as such, or to convert a Eurocurrency Loan into an ABR Loan, as the case may be, unless such declaration shall be subsequently withdrawn and (y) all such outstanding Eurocurrency Loans made by such Lender shall be automatically converted to ABR Loans on the last day of the then current Interest

Period therefor or, if earlier, on the date specified by such Lender in such notice (which date shall be no earlier than the last day of any applicable grace period permitted by applicable law); and

(iii) in the case of Eurocurrency Loans that are GBP Denominated Loans or Swiss Franc Denominated Loans, or Dollar Denominated Loans of Swiss Borrower or U.K. Borrower, and in the case of EURIBOR Loans, the applicable Borrower shall repay all such outstanding Eurocurrency Loans or EURIBOR Loans, as the case may be, of such Lender on the last day of the then current Interest Period therefor or, if earlier, on the date specified by such Lender in such notice (which date shall be no earlier than the last day of any applicable grace period permitted by applicable law).

(f) Change in Legality in Relation to Issuing Bank. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Issuing Bank to issue or allow to remain outstanding any Letter of Credit, then, by written notice to Administrative Borrower and the Funding Agent:

(i) such Issuing Bank shall no longer be obligated to issue any Letters of Credit; and

(ii) each Borrower shall use its commercially reasonable best efforts to procure the release of each outstanding Letter of Credit issued by such Issuing Bank.

SECTION 2.13 Breakage Payments. In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Eurocurrency Loan, EURIBOR Loan or BA Rate Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan, EURIBOR Loan or BA Rate Loan earlier than the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice was validly revoked pursuant to Section 2.07(c)) or (d) the assignment of any Eurocurrency Loan, EURIBOR Loan or BA Rate Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by Administrative Borrower pursuant to Section 2.16(c), then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, EURIBOR Loan or BA Rate Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBOR Rate, Adjusted EURIBOR Rate or BA Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) (excluding, however, the Applicable Margin included therein, if any), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits of a comparable currency, amount and period from other banks in the applicable interbank market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to

Administrative Borrower (with a copy to the Funding Agent) and shall be conclusive and binding absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within five (5) days after receipt thereof.

SECTION 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments Generally. Each Loan Party shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or Reimbursement Obligations, or of amounts payable under Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.22 or Section 11.03, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., Chicago time or, in the case of European Swingline Loans, 11:00 a.m. Zurich time), on the date when due, in immediately available funds, without setoff, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Funding Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Funding Agent at Agent's Account, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.22 and Section 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Funding Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in dollars, except as expressly specified otherwise.

(b) Pro Rata Treatment.

(i) Each payment by Borrowers of interest in respect of the Loans of any Class shall be applied to the amounts of such obligations owing to the Lenders *pro rata* according to the respective amounts then due and owing to the Lenders having Commitments of such Class.

(ii) Each payment by Borrowers on account of principal of the Borrowings of any Class shall be made *pro rata* according to the respective outstanding principal amounts of the Loans of such Class then held by the Lenders.

(c) Insufficient Funds. If at any time insufficient funds are received by and available to the Funding Agent to pay fully all amounts of principal, Reimbursement Obligations, interest and fees then due hereunder, such funds shall be applied (i) *first*, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second*, toward payment of principal and Reimbursement Obligations then due hereunder, ratably

among the parties entitled thereto in accordance with the amounts of principal and Reimbursement Obligations then due to such parties.

(d) Sharing of Set-Off. Subject to the terms of the Intercreditor Agreement, if any Lender (and/or the Issuing Bank, which shall be deemed a "Lender" for purposes of this Section 2.14(d)) shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other Obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Funding Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Loan Party pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to any Loan Party or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(d) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(d) to share in the benefits of the recovery of such secured claim.

(e) Borrower Default. Unless the Funding Agent shall have received notice from Administrative Borrower prior to the date on which any payment is due to the Funding Agent for the account of the Lenders or the Issuing Bank hereunder that the applicable Borrower will not make such payment, the Funding Agent may assume that the applicable Borrower have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the applicable Borrower have not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Funding Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank with

interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Funding Agent, at the greater of the Interbank Rate and a rate determined by the Funding Agent in accordance with banking industry rules on interbank compensation.

(f) Lender Default. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), Section 2.14(e), Section 2.17(c), Section 2.17(g), Section 2.18(d), Section 2.18(e), or Section 11.03(c), then the Funding Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Funding Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.15 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if any Loan Party shall be required by applicable Requirements of Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) such Loan Party shall increase the sum payable as necessary so that after all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) each Agent, Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Loan Party shall make such deductions and (iii) the applicable Loan Party shall timely pay the full amount deducted to the relevant Taxing Authority in accordance with applicable Requirements of Law.

The U.K. Borrower is not required to make an increased payment to any Agent, Lender or Issuing Bank, under this Section for a deduction on account of an Indemnified Tax imposed by the United Kingdom with respect to a payment of interest on a Loan, if on the date on which the payment falls due:

(i) the payment could have been made to that Agent, Lender or Issuing Bank without deduction if it was a U.K. Qualifying Lender, but on that date that Agent, Lender or Issuing Bank is not or has ceased to be a U.K. Qualifying Lender other than as a result of any change after the date of this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or concession of any relevant Taxing Authority; or

(ii) the relevant lender is a U.K. Qualifying Lender solely under part (B) of the definition of that term and it has not confirmed in writing to the U.K. Borrower that it falls within that part (this subclause shall not apply where the Lender has not so confirmed and a change after the date of this Agreement in (or in the interpretation, administration or application of) any law, or any published practice or concession of any relevant Taxing Authority either: (I) renders such confirmation unnecessary in determining whether the U.K. Borrower is required to make a withholding or deduction for, or on account of Tax, or (II) prevents the Lender from giving such confirmation); or

(iii) a payment is due to a Treaty Lender and the U.K. Borrower is able to demonstrate that the payment could have been made to the Lender without deduction had the Lender complied with its obligations under Section 2.15(g).

(b) Payment of Other Taxes by Borrowers. Without limiting the provisions of paragraph (a) above, each Loan Party shall timely pay any Other Taxes to the relevant Taxing Authority in accordance with applicable Requirements of Law.

(c) Indemnification by Borrowers. Each Loan Party shall indemnify each Agent, Lender and the Issuing Bank, within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Agent, Lender or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to Administrative Borrower by a Lender or the Issuing Bank (with a copy to the Funding Agent), or by an Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error. No Borrower shall be obliged to provide indemnity under this Section where the Indemnified Tax or Other Tax in question is (i) compensated for by an increased payment under Sections 2.15(a) or 2.12(a)(ii) or (ii) would have been compensated for by an increased payment under Section 2.15(a) but was not so compensated solely because of one of the exclusions in that Section.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Taxing Authority, the relevant Loan Party shall deliver to the Funding Agent the original or a certified copy of a receipt issued by such Taxing Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Funding Agent.

(e) Status of Lenders. Except with respect to U.K. withholding taxes, any Lender lending to a non-U.K. Borrower that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the applicable Loan Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, to the extent it may lawfully do so, deliver to Administrative Borrower (with a copy to the Funding Agent), at the time or times prescribed by applicable Requirements of Law or reasonably requested by Administrative Borrower or the Funding Agent (and from time to time thereafter, as requested by Administrative Borrower or Funding Agent), such properly completed and executed documentation prescribed by applicable Requirements of Law or any subsequent replacement or substitute form that may lawfully be provided as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Administrative Borrower or the Funding Agent, shall deliver such other documentation prescribed by applicable Requirements of Law or reasonably requested by Administrative Borrower or the Funding Agent as will enable the applicable Loan Parties or the Funding Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements; provided, however, that the Administrative Borrower

may treat any Agent, Lender or Issuing Bank as an "exempt recipient" based on the indicators described in Treasury Regulations Section 1.6049-4(c) and if it may be so treated, such Agent, Lender or Issuing Bank shall not be required to provide such documentation, except to the extent such documentation is required pursuant to the Treasury Regulations promulgated under the Code Section 1441.

Each Lender which so delivers any document requested by Administrative Borrower or Funding Agent in Section 2.15(e) herein further undertakes to deliver to Administrative Borrower (with a copy to Funding Agent), upon request of Administrative Borrower or Funding Agent, copies of such requested form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by Administrative Borrower or Funding Agent, in each case, unless an event (including any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required that renders all such forms inapplicable or that would prevent such Lender from duly completing and delivering any such form with respect to it. For avoidance of doubt, Borrowers shall not be required to pay additional amounts to any Lender or Funding Agent pursuant to this Section 2.15(e) to the extent the obligation to pay such additional amount would not have arisen but for the failure of such Lender or Funding Agent to comply with this paragraph.

(f) Treatment of Certain Refunds. If an Agent, a Lender or the Issuing Bank determines, in its sole discretion, that it has received a refund of, credit against, relief or remission for any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Loan Parties or with respect to which any Loan Party has paid additional amounts pursuant to this Section, Section 2.12 (a)(ii), or Section 2.06 (j), it shall pay to such Loan Party an amount equal to such refund, credit, relief or remission (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund or any additional amounts under Section 2.12 (a)(ii), or Section 2.06 (j)), net of all reasonable and customary out-of-pocket expenses of such Agent, Lender or the Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund or any additional amounts under Section 2.12 (a)(ii), or Section 2.06 (j)); provided that each Loan Party, upon the request of such Agent, such Lender or the Issuing Bank, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) to such Agent, Lender or the Issuing Bank in the event such Agent, Lender or the Issuing Bank is required to repay such refund to such Taxing Authority. Nothing in this Agreement shall be construed to require any Agent, any Lender or the Issuing Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other person. Notwithstanding anything to the contrary, in no event will any Agent, Lender or the Issuing Bank be required to pay any amount to any Loan Party the payment of which would place such Agent, Lender or the Issuing Bank in a less favorable net after-tax position than such Agent, Lender or the Issuing Bank would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

(g) Notwithstanding anything to the contrary in Section 2.15(e), with respect to non-U.S. withholding taxes, the Funding Agent, the relevant Lender(s) (at the written request of the relevant Loan Party) and the relevant Loan Party, shall co-operate in completing any procedural formalities necessary (including delivering any documentation prescribed by the applicable Requirement of Law and making any necessary reasonable approaches to the relevant Taxing Authorities) for the relevant Loan Party to obtain authorization to make a payment to which the Funding Agent or such Lender(s) is entitled without a deduction or withholding for, or on account of, Taxes; provided, however, that none of the Funding Agent or any Lender shall be required to provide any documentation that it is not legally entitled to provide, or take any action that, in the Funding Agent's or the relevant Lender's reasonable judgment, would subject the Funding Agent or such Lender to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect.

(h) Treaty Relief Time Limit Obligations. Subject to Section 2.15(g), a Treaty Lender in respect of an advance to the U.K. Borrower shall within 30 days of becoming a Lender in respect of that advance, (unless it is unable to do so as a result of any change after the date of this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or concession of any relevant Taxing Authority), file with the appropriate Taxing Authority for certification a duly completed U.K. double taxation relief application form for the U.K. Borrower to obtain authorization to pay interest to that Lender in respect of such advance without a deduction for Taxes in respect of Tax imposed by the United Kingdom on interest and provide the U.K. Borrower with reasonably satisfactory evidence that such form has been filed. If a Treaty Lender fails to comply with its obligations under this Section 2.15(h), the U.K. Borrower shall not be required to make an increased payment to that Lender under Section 2.15(a) until such time as such Lender has filed such relevant documentation. This Section 2.15(h) shall not apply to a Treaty Lender if a filing under the PTR Scheme has been made in respect of that Treaty Lender in accordance with Section 2.15(i) and HM Revenue & Customs have confirmed that provisional treaty relief is available. The Funding Agent and/or the relevant Treaty Lender, as applicable, shall use reasonable efforts to promptly provide to HM Revenue & Customs any additional information or documentation requested by HM Revenue & Customs from the Funding Agent or the relevant Treaty Lender (as the case may be) in connection with a treaty relief claim under this paragraph; provided, however that neither the Funding Agent nor any Treaty Lender shall be required to provide any information or documentation that it is not legally entitled to provide, or take any action that, in the Funding Agent's or the relevant Lender's reasonable judgment would subject the Funding Agent or such Lender to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect;

(i) Requirement to Seek Refund in Respect of an Increased Payment. If the U.K. Borrower makes a tax deduction (a "**Tax Deduction**") in respect of tax imposed by the United Kingdom on interest from a payment of interest to a Treaty Lender, and Section 2.15(a) applies to increase the amount of the payment due to that Treaty Lender from the U.K. Borrower, the U.K. Borrower shall promptly provide the Treaty Lender with an executed original certificate, in the form required by HM Revenue & Customs, evidencing the Tax Deduction. The Treaty Lender shall, within a reasonable period following receipt of such certificate, apply to HM Revenue & Customs for a refund of the amount of the tax deduction and, upon receipt by the Treaty Lender of such amount from HM Revenue & Customs,

Section 2.15(f) shall apply in relation thereto and for the avoidance of doubt, a refund obtained pursuant to this Section 2.15(i) shall be considered as received by the Treaty Lender for the purposes of Section 2.15(f) and no Agent, Lender or Issuing Bank shall have discretion to determine otherwise; provided, however, that this Section 2.15(i) shall not require a Treaty Lender to apply for a refund of the amount of the Tax Deduction if the procedural formalities required in relation to making such an application are materially more onerous or require the disclosure of materially more information than the procedural formalities required by HM Revenue & Customs as at the date of this Agreement in relation to such an application.

(j) U.K. Provisional Treaty Relief Scheme.

For the avoidance of doubt, this Section 2.15(j) shall apply only if and to the extent that the PTR Scheme is available to Treaty Lenders.

Each Treaty Lender:

(i) irrevocably appoints the Funding Agent to act as syndicate manager under, and authorizes the Funding Agent to operate, and take any action necessary or desirable under, the PTR Scheme in connection with the Loan Documents and Loans;

(ii) shall co-operate with the Funding Agent in completing any procedural formalities necessary under the PTR Scheme, and shall promptly supply to the Funding Agent such information as the Funding Agent may request in connection with the operation of the PTR Scheme;

(iii) without limiting the liability of any Loan Party under this Agreement, shall, within five (5) Business Days of demand, indemnify the Funding Agent for any liability or loss incurred by the Funding Agent as a result of the Funding Agent acting as syndicate manager under the PTR Scheme in connection with the Treaty Lender's participation in any Loan (except to the extent that the liability or loss arises directly from the Funding Agent's gross negligence or willful misconduct); and

(iv) shall, within five (5) Business Days of demand, indemnify the U.K. Borrower for any tax which the U.K. Borrower becomes liable to pay in respect of any payments made to such Treaty Lender arising as a result of any incorrect information supplied by such Treaty Lender under paragraph (ii) above which results in a provisional authority issued by the HM Revenue & Customs under the PTR Scheme being withdrawn.

The U.K. Borrower acknowledges that it is fully aware of its contingent obligations under the PTR Scheme and shall:

(i) promptly supply to the Funding Agent such information as the Funding Agent may request in connection with the operation of the PTR Scheme; and

(ii) act in accordance with any provisional notice issued by the HM Revenue & Customs under the PTR Scheme.

The Funding Agent agrees to provide, as soon as reasonably practicable, a copy of any provisional authority issued to it under the PTR Scheme in connection with any Loan to the U.K. Borrowers specified in such provisional authority.

All parties acknowledge that the Funding Agent:

(i) is entitled to rely completely upon information provided to it in connection with this Section 2.15(j);

(ii) is not obliged to undertake any enquiry into the accuracy of such information, nor into the status of the Treaty Lender or, as the case may be, the U.K. Borrower providing such information; and

(iii) shall have no liability to any person for the accuracy of any information it submits in connection with this Section 2.15(j).

(k) Except as otherwise provided in Section 2.15(h) or (j), if, as a result of executing a Loan Document, entering into the transactions contemplated thereby or with respect thereto, receiving a payment or enforcing its rights thereunder, an Agent, Lender or the Issuing Bank is required to file a Tax Return in a jurisdiction in which it would not otherwise be required to file, the Loan Parties shall promptly provide such assistance as the relevant Agent, Lender or the Issuing Bank shall reasonably request with respect to the completion and filing of such Tax Return. For clarification, any expenses incurred in connection with such filing shall be subject to Section 11.03.

SECTION 2.16 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Subject to Section 11.04(h), each Lender may at any time or from time to time designate, by written notice to the Funding Agent, one or more lending offices (which, for this purpose, may include Affiliates of the respective Lender) for the various Loans made, and Letters of Credit participated in, by such Lender (including, in the case of Canadian Lenders, by designating, subject to Section 2.20, a separate lending office (or Affiliate) to act as such with respect to Dollar Denominated Loans and LC Exposure versus Non-Dollar Denominated Loans; provided that, unless such designation is made after the occurrence of a Conversion Event, to the extent such designation shall result, as of the time of such designation, in increased costs under Section 2.12 or Section 2.15 in excess of those which would be charged in the absence of the designation of a different lending office (including a different Affiliate of the respective Lender), then the Borrowers shall not be obligated to pay such excess increased costs (although the Borrowers, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay the costs which would apply in the absence of such designation and any subsequent increased costs of the type described above resulting from changes after the date of the respective designation). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder). The proviso to the first sentence of this Section 2.16(a) shall not

apply to changes in a lending office pursuant to Section 2.16(b) if such change was made upon the written request of the Administrative Borrower.

(b) If any Lender requests compensation under Section 2.12, or requires any Loan Party to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or Section 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Loan Party hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Lender to Administrative Borrower shall be conclusive absent manifest error.

(c) Replacement of Lenders. If any Lender requests compensation under Section 2.12, or if any Borrower is required to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, or if Administrative Borrower exercises its replacement rights under Section 11.02(d), then Borrowers may, at their sole expense and effort, upon notice by the Administrative Borrower to such Lender and the Funding Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04 (including Section 11.04(h))), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) Borrowers or the assignee shall have paid to the Funding Agent the processing and recordation fee specified in Section 11.04(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.13), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Requirements of Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrowers to require such assignment and delegation cease to apply.

SECTION 2.17 Swingline Loans.

(a) U.S. Swingline Loans. The Funding Agent, the U.S. Swingline Lender and the U.S./European Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Administrative Borrower requests a Base Rate U.S. Revolving Loan, the U.S. Swingline Lender may elect to have the terms of this Section 2.17(a) apply to up to $75 million of (or, in the case of the initial Borrowing of U.S. Revolving Loans on the Closing Date, the entire amount of) such Borrowing Request by crediting, on behalf of the U.S./European Lenders and in the amount requested, same day funds to the U.S. Borrowers (or, in the case of a U.S. Swingline Loan made to finance the reimbursement of an LC Disbursement in respect of a U.S. Letter of Credit as provided in Section 2.18(e), by remittance to the Issuing Bank), on the applicable Borrowing date as directed by the Administrative Borrower in the applicable Borrowing Request maintained with the Funding Agent (each such Loan made solely by the U.S. Swingline Lender pursuant to this Section 2.17(a) is referred to in this Agreement as a "**U.S. Swingline Loan**"), with settlement among them as to the U.S. Swingline Loans to take place on a periodic basis as set forth in Section 2.17(c). Each U.S. Swingline Loan shall be subject to all the terms and conditions applicable to other Base Rate U.S. Revolving Loans funded by the U.S./European Lenders, except that all payments thereon shall be payable to the U.S. Swingline Lender solely for its own account. U.S. Swingline Loans shall be made in minimum amounts of $1.0 million and integral multiples of $500,000 above such amount.

(b) U.S. Swingline Loan Participations. Upon the making of a U.S. Swingline Loan (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such U.S. Swingline Loan), each U.S./European Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the U.S. Swingline Lender, without recourse or warranty, an undivided interest and participation in such U.S. Swingline Loan in proportion to its Pro Rata Percentage of the U.S./European Commitment. The U.S. Swingline Lender may, at any time, require the U.S./European Lenders to fund their participations. From and after the date, if any, on which any U.S./European Lender is required to fund its participation in any U.S. Swingline Loan purchased hereunder, the Funding Agent shall promptly distribute to such Lender, such Lender's Pro Rata Percentage of all payments of principal and interest and all proceeds of Collateral received by the Funding Agent that are payable to such Lender in respect of such Loan.

(c) U.S. Swingline Loan Settlement. The Funding Agent, on behalf of the U.S. Swingline Lender, shall request settlement (a "**Settlement**") with the U.S./European Lenders on at least a weekly basis or on any date that the Funding Agent elects, by notifying the U.S./European Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 11:00 a.m. Chicago time on the date of such requested Settlement (the "**Settlement Date**"). Each U.S./European Lender (other than the U.S. Swingline Lender, in the case of the U.S. Swingline Loans) shall transfer the amount of such U.S./European Lender's Pro Rata Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Funding Agent, to such account of the Funding Agent as the Funding Agent may designate, not later than 2:00 p.m., Chicago time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the

applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the Funding Agent shall be applied against the amounts of the U.S. Swingline Lender's U.S. Swingline Loans and, together with U.S. Swingline Lender's Pro Rata Percentage of such U.S. Swingline Loan, shall constitute U.S. Revolving Loans of such U.S./European Lenders. If any such amount is not transferred to the Funding Agent by any U.S./European Lender on such Settlement Date, each of such Lender and the U.S. Borrowers severally agrees to repay to the U.S. Swingline Lender forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrowers until the date such amount is repaid to the U.S. Swingline Lender at (i) in the case of such U.S. Borrowers, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the greater of the Interbank Rate and a rate determined by the Funding Agent in accordance with banking industry rules on interbank compensation. If such Lender shall repay to the U.S. Swingline Bank such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and the applicable Borrowers' obligations to repay the Funding Agent such corresponding amount pursuant to this Section 2.17(c) shall cease.

(d) European Swingline Commitment. Subject to the terms and conditions set forth herein and from and after the European Swingline Activation Date, the European Swingline Lender agrees to make European Swingline Loans to the European Administrative Borrower from time to time during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not (subject to the provisions of Section 10.10) result in (i) the aggregate principal amount of outstanding European Swingline Loans exceeding the European Swingline Commitment, (ii) the Total U.S./European Revolving Exposure exceeding the Total U.S./European Commitment, (iii) the Total Adjusted Revolving Exposure exceeding the Total Adjusted Borrowing Base, or (iv) the Total Revolving Exposure exceeding the lesser of (A) the total Revolving Commitments and (B) the Total Borrowing Base then in effect; provided that the European Swingline Lender shall not be required to make a European Swingline Loan (i) to refinance an outstanding European Swingline Loan, or if another European Swingline Loan is then outstanding or (ii) if a European Swingline Loan has been outstanding within three (3) Business Days prior to the date of such requested European Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the European Administrative Borrower may borrow, repay and reborrow European Swingline Loans.

(e) European Swingline Loans. To request a European Swingline Loan, the European Administrative Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Borrowing Request to the Funding Agent and the European Swingline Lender, not later than 11:00 a.m., Zurich time, on the day of a proposed European Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day), currency, Interest Period, and the amount of the requested European Swingline Loan. Each European Swingline Loan shall be a Eurocurrency Loan with an Interest Period between two days and seven days and shall be made in Euros, GBP or Swiss francs. The European Swingline Lender shall make each European Swingline Loan available to the European Administrative Borrower to an account as directed by the European Administrative Borrower in the applicable Borrowing Request maintained with the Funding

Agent (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.18(e), by remittance to the Issuing Bank) by 4:00 p.m., Zurich time, on the requested date of such European Swingline Loan. The European Administrative Borrower shall not request a European Swingline Loan if at the time of or immediately after giving effect to the extension of credit contemplated by such request a Default has occurred and is continuing or would result therefrom. European Swingline Loans shall be made in minimum amounts of €1.0 million (for Loans denominated in Euros), GBP1.0 million (for Loans denominated in GBP), or CHF1.0 million (for Loans denominated in Swiss Francs) and integral multiples of €500,000, GBP500,000 or CHF500,000, respectively, above such amount.

(f) Prepayment. The European Administrative Borrower shall have the right at any time and from time to time to repay any European Swingline Loan, in whole or in part, upon giving written notice to the European Swingline Lender and the Funding Agent before 11:00 a.m., Zurich time, on the proposed date of repayment. All payments in respect of the European Swingline Loans shall be made to the European Swingline Lender at Agent's Account.

(g) Participations. The European Swingline Lender may at any time in its discretion by written notice given to the Funding Agent (provided such notice requirement shall not apply if the European Swingline Lender and the Funding Agent are the same entity) not later than 11:00 a.m., Zurich time, on the third succeeding Business Day following such notice require the U.S./European Lenders to acquire participations on such Business Day in all or a portion of the European Swingline Loans then outstanding; provided that (i) European Swingline Lender shall not give such notice prior to the occurrence of an Event of Default, and (ii) such notice shall be deemed given automatically upon the occurrence of a Conversion Event; provided further, that if (x) such Event of Default is cured or waived in writing in accordance with the terms hereof, (y) no Obligations have yet been declared due and payable under Article 8 (or a rescission has occurred under Section 8.02) and (z) the European Swingline Lender has actual knowledge of such cure or waiver, all prior to the European Swingline Lender's giving (or being deemed to give) such notice, then the European Swingline Lender shall not give any such notice based upon such cured or waived Event of Default. Such notice shall specify the aggregate amount of European Swingline Loans in which U.S./European Lenders will participate. Promptly upon receipt of such notice, the Funding Agent will give notice thereof to each U.S./European Lender, specifying in such notice such Lender's Pro Rata Percentage of such European Swingline Loan or Loans. Each U.S./European Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Funding Agent, for the account of the European Swingline Lender, such Lender's Pro Rata Percentage of such European Swingline Loan or Loans. Each U.S./European Lender acknowledges and agrees that its obligation to acquire participations in European Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (so long as such payment shall not cause such Lender's Pro Rata Percentage of the Total U.S./European Revolving Exposure to exceed such Lender's U.S./European Commitment. Each U.S./European Lender shall comply with its obligation under this paragraph by wire transfer

of immediately available funds, in the same manner as provided in Section 2.02(c) with respect to Loans made by such Lender (and Section 2.02 shall apply, *mutatis mutandis*, to the payment obligations of the U.S./European Lenders), and the Funding Agent shall promptly pay to the European Swingline Lender the amounts so received by it from the U.S./European Lenders. The Funding Agent shall notify the European Administrative Borrower of any participations in any European Swingline Loan acquired by the U.S./European Lenders pursuant to this paragraph, and thereafter payments in respect of such European Swingline Loan shall be made to the Funding Agent and not to the European Swingline Lender. Any amounts received by the European Swingline Lender from the European Administrative Borrower (or other party on behalf of the European Administrative Borrower) in respect of a European Swingline Loan after receipt by the European Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Funding Agent. Any such amounts received by the Funding Agent shall be promptly remitted by the Funding Agent to the U.S./European Lenders that shall have made their payments pursuant to this paragraph, as their interests may appear. The purchase of participations in a European Swingline Loan pursuant to this paragraph shall not relieve the European Administrative Borrower of any default in the payment thereof.

(h) Notwithstanding any provisions of this Agreement to the contrary, no Person shall be or become European Swingline Lender hereunder unless such Person is a Swiss Qualifying Bank.

SECTION 2.18 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein:

(i) the Administrative Borrower may request the U.S./European Issuing Bank, and the U.S./European Issuing Bank agrees, to issue Letters of Credit (each, a "**U.S. Letter of Credit**") denominated in any Approved Currency (other than Canadian Dollars) for the account of a Loan Party (other than a Canadian Subsidiary) designated by Administrative Borrower in a form reasonably acceptable to the Funding Agent and the U.S./European Issuing Bank, at any time and from time to time during the Revolving Availability Period (provided that a U.S. Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each U.S. Letter of Credit issued for the account of another Subsidiary of Holdings). The European Administrative Borrower may request the U.S./European Issuing Bank, and the U.S./European Issuing Bank agrees, to issue Letters of Credit (each, a "**European Letter of Credit**" and, together with the U.S. Letters of Credit, each a "**U.S./European Letter of Credit**") denominated in any Approved Currency (other than Canadian Dollars) for the account of a Loan Party (other than a Canadian Subsidiary) designated by European Administrative Borrower in a form reasonably acceptable to the Funding Agent and the U.S./European Issuing Bank, at any time and from time to time during the Revolving Availability Period (provided that the European Administrative Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each European Letter of Credit issued for the account of another Subsidiary of Holdings). The U.S./European Issuing Bank shall have no obligation to issue, and the Applicable Administrative Borrower shall not request the issuance of, any U.S./European Letter of Credit at any time if after giving effect to such issuance, the U.S./European LC Exposure would exceed the U.S./European LC Commitment, the Total U.S./European Revolving Exposure would exceed the

Total U.S./European Commitment, or the total Revolving Exposure would exceed the total Revolving Commitments;

(ii) the Administrative Borrower may request the Canadian Issuing Bank, and the Canadian Issuing Bank agrees, to issue Letters of Credit (each, a "**Canadian Letter of Credit**") denominated in dollars or Canadian Dollars for the account of a Loan Party designated by Administrative Borrower that is a Canadian Subsidiary of Holdings in a form reasonably acceptable to the Canadian Funding Agent and the Canadian Issuing Bank, at any time and from time to time during the Revolving Availability Period (provided that the Administrative Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Canadian Letter of Credit issued for the account of another Canadian Subsidiary of Holdings). The Canadian Issuing Bank shall have no obligation to issue, and the Administrative Borrower shall not request the issuance of, any Canadian Letter of Credit at any time if after giving effect to such issuance, the Canadian LC Exposure would exceed the Canadian LC Commitment, the Total Canadian Revolving Exposure would exceed the Total Canadian Commitment, or the total Revolving Exposure would exceed the total Revolving Commitments;

(iii) in the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Applicable Administrative Borrower to, or entered into by any Applicable Administrative Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions and Notices. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, the Applicable Administrative Borrower shall deliver, by hand or telecopier (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank and the Funding Agent), an LC Request to the applicable Issuing Bank and the Funding Agent not later than 11:00 a.m. Chicago time on the third Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is acceptable to the Issuing Bank).

A request for an initial issuance of a Letter of Credit shall specify in form and detail satisfactory to the Issuing Bank:

(i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day);

(ii) the amount and the currency thereof;

(iii) the expiry date thereof (which shall not be later than the close of business on the Letter of Credit Expiration Date);

(iv) the name and address of the beneficiary thereof;

(v) whether the Letter of Credit is to be issued for its own account or for the account of one of the other Subsidiaries of Holdings (provided that the Applicable

Administrative Borrower shall be a co-applicant, and therefore jointly and severally liable, with respect to each Letter of Credit issued for the account of another Subsidiary of Holdings);

(vi) the documents to be presented by such beneficiary in connection with any drawing thereunder;

(vii) the full text of any certificate to be presented by such beneficiary in connection with any drawing thereunder; and

(viii) such other matters as the Issuing Bank may require.

A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail satisfactory to the Issuing Bank:

(i) the Letter of Credit to be amended, renewed or extended;

(ii) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day);

(iii) the nature of the proposed amendment, renewal or extension; and

(iv) such other matters as the Issuing Bank may require.

If requested by the Issuing Bank, the Applicable Administrative Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit, but in the event of any inconsistency between such standard form and this Agreement, the terms of this Agreement shall control. A U.S./European Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each U.S./European Letter of Credit, the Applicable Administrative Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension and subject to the provisions of Section 10.10, (i) the U.S./European LC Exposure shall not exceed the U.S./European LC Commitment, (ii) the Total Revolving Exposure shall not exceed the lesser of (I) the Total Borrowing Base, and (II) the total Revolving Commitments, (iii) the Total U.S./European Revolving Exposure shall not exceed the Total U.S./European Commitment, (iv) the Total Adjusted Revolving Exposure shall not exceed the Total Adjusted Borrowing Base, and (v) the conditions set forth in Section 4.02 in respect of such issuance, amendment, renewal or extension shall have been satisfied. A Canadian Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Canadian Letter of Credit, the Canadian Administrative Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension and subject to the provisions of Section 10.10, (i) the Canadian LC Exposure shall not exceed the Canadian LC Commitment, (ii) the Total Revolving Exposure shall not exceed the lesser of (I) the Total Borrowing Base, and (II) the total Revolving Commitments, (iii) the Total Canadian Revolving Exposure shall not exceed the Total Canadian Commitment, (iv) the Total Adjusted Revolving Exposure shall not exceed the Total Adjusted Borrowing Base, and (v) the conditions set forth in Section 4.02 in respect of such issuance, amendment, renewal or extension shall have been satisfied. Unless the Issuing Bank shall agree otherwise, no Letter of Credit shall be in an initial amount less than $100,000, in the case of a

Commercial Letter of Credit, or $500,000, in the case of a Standby Letter of Credit, or is to be denominated in a currency other than dollars or an Approved Currency.

Upon the issuance of any Letter of Credit or amendment, renewal, extension or modification to a Letter of Credit, the Issuing Bank shall promptly notify the Funding Agent, who shall promptly notify each U.S./European Lender (in the case of a U.S./European Letter of Credit), or each Canadian Lender (in the case of the Canadian Letter of Credit), thereof, which notice shall be accompanied by a copy of such Letter of Credit or amendment, renewal, extension or modification to a Letter of Credit and the amount of such Lender's respective participation in such Letter of Credit pursuant to Section 2.18(e). On the first Business Day of each calendar month, each U.S./European Issuing Bank shall provide to the Funding Agent a report listing all outstanding U.S./European Letters of Credit and the amounts and beneficiaries thereof and the Funding Agent shall promptly provide such report to each U.S./European Lender. On the first Business Day of each calendar month, each Canadian Issuing Bank shall provide to the Funding Agent a report listing all outstanding Canadian Letters of Credit and the amounts and beneficiaries thereof and the Funding Agent shall promptly provide such report to each Canadian Lender.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) in the case of a Standby Letter of Credit, (x) the date which is one year after the date of the issuance of such Standby Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (y) the Letter of Credit Expiration Date and (ii) in the case of a Commercial Letter of Credit, (x) the date that is 180 days after the date of issuance of such Commercial Letter of Credit (or, in the case of any renewal or extension thereof, 180 days after such renewal or extension) and (y) the Letter of Credit Expiration Date.

(d) Participations. By the issuance of a U.S./European Letter of Credit (or an amendment to a U.S./European Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby irrevocably grants to each U.S./European Lender, and each U.S./European Lender hereby acquires from the Issuing Bank, a participation in such U.S./European Letter of Credit equal to such U.S./European Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such U.S./European Letter of Credit. In consideration and in furtherance of the foregoing, each U.S./European Lender hereby absolutely and unconditionally agrees to pay to the Funding Agent, for the account of the U.S./European Issuing Bank, such U.S./European Lender's Pro Rata Percentage of each LC Disbursement made by the U.S./European Issuing Bank and not reimbursed by the Applicable Administrative Borrower on the date due as provided in Section 2.18(e), or of any reimbursement payment required to be refunded to the Applicable Administrative Borrower for any reason. By the issuance of a Canadian Letter of Credit (or an amendment to a Canadian Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby irrevocably grants to each Canadian Lender, and each Canadian Lender hereby acquires from the Issuing Bank, a participation in such Canadian Letter of Credit equal to such Canadian Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Canadian Letter of Credit. In consideration and in furtherance of the foregoing, each Canadian Lender hereby absolutely and unconditionally agrees to pay to the Funding

Agent, for the account of the Canadian Issuing Bank, such Canadian Lender's Pro Rata Percentage of each LC Disbursement made by the Canadian Issuing Bank and not reimbursed by the Applicable Administrative Borrower on the date due as provided in Section 2.18(e), or of any reimbursement payment required to be refunded to the Applicable Administrative Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, or expiration, termination or cash collateralization of any Letter of Credit and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement.

(i) If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Applicable Administrative Borrower (or in the case of the Existing Letters of Credit, the Administrative Borrower or such other Borrower as it shall designate) shall reimburse such LC Disbursement by paying to the Issuing Bank an amount equal to such LC Disbursement not later than 3:00 p.m., Chicago time, on the date that such LC Disbursement is made, if such Letter of Credit is a U.S. Letter of Credit or a Canadian Letter of Credit and the Administrative Borrower shall have received notice of such LC Disbursement prior to 11:00 a.m., Chicago time on such date, or, if such Letter of Credit is European Letter of Credit, or if such notice has not been received by the Applicable Administrative Borrower prior to such time on such date, then not later than 3:00 p.m., Chicago time, on the Business Day immediately following the day that the Applicable Administrative Borrower receives such notice; provided that the Applicable Administrative Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.17 that such payment be financed with Base Rate Revolving Loans in dollars in the Dollar Equivalent amount of such LC Disbursement, or with respect to LC Disbursements in euros or GBP, European Swingline Loans in an equivalent amount of such currency and, to the extent so financed, the Applicable Administrative Borrower's obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loans or Swingline Loans.

(ii) If the Applicable Administrative Borrower fails to make such payment when due, the Issuing Bank shall notify the Funding Agent and the Funding Agent shall notify each applicable Lender of the applicable LC Disbursement, the payment then due from the Applicable Administrative Borrower in respect thereof and such Lender's Pro Rata Percentage thereof. Each applicable Lender shall pay by wire transfer of immediately available funds to the Funding Agent not later than 2:00 p.m., Chicago time, on such date (or, if (x) such Letter of Credit is a European Letter of Credit, not later than 11:00 a.m. Chicago time on the third Business Day following such notice or (y) such Letter of Credit is not a European Letter of Credit and such Lender shall have received such notice later than 11:00 a.m., Chicago time, on any day, not later than 11:00 a.m., Chicago time, on the immediately following Business Day), an amount equal to such Lender's Pro Rata Percentage of the unreimbursed LC Disbursement in the same manner as provided in Section 2.02(c) with respect to Revolving Loans made by such Lender, and the Funding Agent will promptly pay to the Issuing Bank the amounts so received by it from the Lenders. The Funding Agent will promptly pay to the Issuing Bank any amounts

received by it from the Applicable Administrative Borrower pursuant to the above paragraph prior to the time that any Lender makes any payment pursuant to the preceding sentence and any such amounts received by the Funding Agent from the Applicable Administrative Borrower thereafter will be promptly remitted by the Funding Agent to the Lenders that shall have made such payments and to the Issuing Bank, as appropriate.

(iii) If any Lender shall not have made its Pro Rata Percentage of such LC Disbursement available to the Funding Agent as provided above, each of such Lender and the Applicable Administrative Borrower severally agrees to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with the foregoing to but excluding the date such amount is paid, to the Funding Agent for the account of the Issuing Bank at (i) in the case of the Applicable Administrative Borrower, the rate per annum set forth in Section 2.18(h) and (ii) in the case of such Lender, at a rate determined by the Funding Agent in accordance with banking industry rules or practices on interbank compensation.

(iv) All payments made pursuant to this Section 2.18(e) shall be in the Approved Currency in which the LC Disbursement giving rise to such payment is denominated.

(f) Obligations Absolute. The Reimbursement Obligation of the Administrative Borrower as provided in Section 2.18(e) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Letter of Credit being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that fails to comply with the terms of such Letter of Credit; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.18, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the Administrative Borrower hereunder; (v) the fact that a Default shall have occurred and be continuing; or (vi) any material adverse change in the business, property, results of operations, prospects or condition, financial or otherwise, of the Administrative Borrower and its Subsidiaries. None of the Agents, the Lenders, the Issuing Bank or any of their Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Applicable Administrative Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Administrative Borrower and the European Administrative Borrower to the extent permitted by applicable Requirements of Law) suffered by the Applicable Administrative Borrower that are caused by the Issuing Bank's failure to exercise care when determining

whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly give written notice to the Funding Agent and the Applicable Administrative Borrower of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Administrative Borrower of its Reimbursement Obligation to the Issuing Bank and the applicable Lenders with respect to any such LC Disbursement (other than with respect to the timing of such Reimbursement Obligation set forth in Section 2.18(e)).

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest payable on demand, for each day from and including the date such LC Disbursement is made to but excluding the date that the Applicable Administrative Borrower reimburses such LC Disbursement, at the rate per annum determined pursuant to Section 2.06(f). Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.18(e) to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Applicable Administrative Borrower receives notice from the Funding Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Applicable Administrative Borrowers shall deposit on terms and in accounts satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the benefit of the applicable Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Applicable Administrative Borrower described in Section 8.01(g) or Section 8.01(h). Funds so deposited shall be applied by the Collateral Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of outstanding Reimbursement Obligations or, if the maturity of the

Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations pursuant to Section 8.03 herein of Borrowers under this Agreement. If the Applicable Administrative Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount *plus* any accrued interest or realized profits with respect to such amounts (to the extent not applied as aforesaid) shall be returned to the Applicable Administrative Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(j) Additional Issuing Banks. The Applicable Administrative Borrower may, at any time and from time to time, designate one or more additional Canadian Lenders to act as an issuing bank with respect to Canadian Letters of Credit under the terms of this Agreement, or designate one or more additional U.S./European Lenders to act as an issuing bank with respect to U.S./European Letters of Credit under the terms of this Agreement, in each case with the consent of the Funding Agent (which consent shall not be unreasonably withheld), the Issuing Bank and such Lender(s). Any Lender designated as an issuing bank pursuant to this paragraph (j) shall be deemed (in addition to being a Lender) to be the Issuing Bank with respect to Letters of Credit issued or to be issued by such Lender, and all references herein and in the other Loan Documents to the term "**Issuing Bank**" shall, with respect to such Letters of Credit, be deemed to refer to such Lender in its capacity as Issuing Bank, as the context shall require. Notwithstanding any provisions of this Agreement to the contrary, no Person shall be or become a U.S./European Issuing Bank hereunder unless such Person is a Swiss Qualifying Bank.

(k) Resignation or Removal of the Issuing Bank. Any Issuing Bank may resign as Issuing Bank hereunder at any time upon at least thirty (30) days' prior notice to the Lenders, the Funding Agent and the Administrative Borrower. Any Issuing Bank may be replaced at any time by written agreement among the Administrative Borrower, each Agent, the replaced Issuing Bank and the successor Issuing Bank. The Funding Agent shall notify the Lenders of any such replacement of any Issuing Bank or any such additional Issuing Bank. At the time any such resignation or replacement shall become effective, the Administrative Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation or replacement or addition, as applicable, (i) the successor or additional Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "**Issuing Bank**" shall be deemed to refer to such successor or such addition or to any previous Issuing Bank, or to such successor or such addition and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. If at any time there is more than one U.S./European Issuing Bank or more than one Canadian Issuing Bank hereunder, the Applicable Administrative Borrower may, in its discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(l) Existing Letters of Credit. On the Closing Date, (i) each Existing Letter of Credit, to the extent outstanding, shall be automatically and without further action by the parties thereto deemed converted into Letters of Credit issued pursuant to this Section 2.18 for the account of the Loan Parties set forth on Schedule 2.18 and subject to the provisions hereof, and for this purpose fees in respect thereof pursuant to Section 2.05(c) shall be payable (in substitution for any fees set forth in the applicable letter of credit reimbursement agreements or applications relating to such Existing Letters of Credit, except to the extent that such fees are also payable pursuant to Section 2.05(c)) as if such Existing Letters of Credit had been issued on the Closing Date, (ii) the Lenders set forth on Schedule 2.18, or their designated Affiliates who are Issuing Banks, with respect to each such Existing Letter of Credit shall be deemed to be the Issuing Bank with respect to such Existing Letters of Credit, (iii) such Letters of Credit shall each be included in the calculation of LC Exposure and U.S. LC Exposure, European LC Exposure, or Canadian LC Exposure, as applicable, and (iv) all liabilities of the Loan Parties with respect to such Existing Letters of Credit shall constitute Obligations. No Existing Letter of Credit converted in accordance with this clause (l) shall be amended, extended or renewed except in accordance with the terms hereof. Notwithstanding the foregoing, the Loan Parties shall not be required to pay any additional issuance fees with respect to the issuance of such Existing Letter of Credit solely as a result of such letter of credit being converted to a Letter of Credit hereunder, it being understood that the fronting, participation and other fees set forth in Section 2.05(c) shall otherwise apply to such Existing Letters of Credit.

(m) Other. The Issuing Bank shall be under no obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it;

(ii) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank; or

(iii) that Letter of Credit is either: (1) at the request of or for the account of any Person incorporated in Ireland; or (2) to any person resident in Ireland, in each case where the Issuing Bank is not duly authorized to carry on the business of issuing contracts of suretyship in Ireland (or is not otherwise exempted under the laws of Ireland from the requirement to have any such authorization).

The Issuing Bank shall be under no obligation to amend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

SECTION 2.19 **Interest Act (Canada); Criminal Rate of Interest; Nominal Rate of Interest**.

(a) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, solely to the extent that a court of competent jurisdiction finally determines that the calculation or determination of interest or any fee payable by the any Canadian Loan Party in respect of the Obligations pursuant to this Agreement and the other Loan Documents shall be governed by the laws of any province of Canada or the federal laws of Canada, in no event shall the aggregate interest (as defined in Section 347 of the Criminal Code, R.S.C. 1985, c. C-46, as the same shall be amended, replaced or re-enacted from time to time, "**Section 347**")) payable by the Canadian Loan Parties to the Agents or any Lender under this Agreement or any other Loan Document exceed the effective annual rate of interest on the Credit advances (as defined in Section 347) under this Agreement or such other Loan Document lawfully permitted under Section 347 and, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of Interest (as defined in Section 347) is determined to be contrary to the provisions of Section 347, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Agents, the Lenders and the Canadian Loan Parties and the amount of such payment or collection shall be refunded by the relevant Agents and Lenders to the applicable Canadian Loan Parties. For the purposes of this Agreement and each other Loan Document to which the Canadian Loan Parties are a party, the effective annual rate of interest payable by the Canadian Loan Parties shall be determined in accordance with generally accepted actuarial practices and principles over the term of the loans on the basis of annual compounding for the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the for the account of the Canadian Loan Parties will be conclusive for the purpose of such determination in the absence of evidence to the contrary.

(b) For the purposes of the Interest Act (Canada) and with respect to Canadian Loan Parties only:

(i) whenever any interest or fee payable by the Canadian Loan Parties is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which such rate is to be ascertained and (z) divided by 360 or 365, as the case may be; and

(ii) all calculations of interest payable by the Canadian Loan Parties under this Agreement or any other Loan Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

The parties hereto acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

SECTION 2.20 Canadian Lenders.

(a) Each Canadian Lender shall at all times be a Canadian Resident or, at its option, such Canadian Lender shall designate an Affiliate of such Lender which is a Canadian Resident (which Affiliate shall be a signatory to this Agreement and be listed on Schedule 2.20 hereto, or shall become a party hereto by signing an assumption agreement in form and substance reasonably satisfactory to the Canadian Funding Agent) to act as a Canadian Lender hereunder, in which case the Affiliate so designated as a Canadian Lender hereunder shall be required to be satisfactory to (and approved by) the Canadian Funding Agent and shall at all times hold the Canadian Commitment (and all extensions of credit pursuant thereto) of the respective Canadian Lender, unless (i) a Significant Event of Default is in existence or a Conversion Event has occurred, (ii) the failure of a Canadian Lender to be, or to designate, a Canadian Resident would not result in increased taxes being paid by the Borrowers, or (iii) the Administrative Borrower has otherwise consented, which consent shall not be unreasonably withheld or delayed (it being expressly understood that withholding such consent in order to avoid any increased obligation of the Borrowers under Section 2.15 shall be deemed reasonable). To the extent legally entitled to do so, the Canadian Funding Agent and each Canadian Lender shall, upon written request by the Canadian Borrower, deliver to the Canadian Borrower or the applicable Taxing Authority, any form or certificate required in order that any payment by the Canadian Borrower under this Agreement may be made free and clear of, and without deduction or withholding for or on account of, any Taxes, provided that (x) in determining the reasonableness of such a request such Person shall be entitled to consider the cost (to the extent unreimbursed by the Canadian Borrower) which would be imposed on such Person of complying with such request, and (y) nothing in this Section 2.20(a) shall require a Lender to disclose any confidential information (including, without limitation, its tax returns or its calculations).

(b) A Canadian Lender may change its Affiliate acting as Canadian Lender hereunder but only pursuant to an assignment in form and substance reasonably satisfactory to the Canadian Funding Agent (with the consent of the Funding Agent), where the relevant assignee represents and warrants, unless a Significant Event of Default is in existence or a Conversion Event has occurred, that it is an Affiliate of the relevant Canadian Lender and represents and warrants that it is a Canadian Resident and will act directly as a Canadian Lender with respect to the Canadian Commitment of the relevant Canadian Lender.

(c) In connection with any assignment pursuant to Section 2.16(c), 11.02(d) or 11.04 of all or any part of the Canadian Commitment of any Canadian Lender the Assignment and Assumption shall, unless a Significant Event of Default is in existence or a Conversion Event has occurred, contain the representation and warranties specified in the Assignment and Assumption including that it is a Canadian Resident.

(d) The foregoing shall in no event limit the sales or purchases of participations in Canadian Revolving Loans after the occurrence of a Conversion Event or during the existence of a Significant Event of Default.

SECTION 2.21 Lenders to Swiss Borrower.

(a) Each Lender to Swiss Borrower on the Closing Date represents that it is a Swiss Qualifying Bank or a Swiss Non-Qualifying Bank as further indicated on Schedule 2.21. Each Lender which makes a Loan to Swiss Borrower represents to Swiss Borrower on the date on which it becomes a party to this Agreement in its capacity as such whether it is a Swiss Qualifying Bank or a Swiss Non-Qualifying Bank, as indicated on the applicable Assignment and Assumption.

(b) Each Lender which makes a Loan to Swiss Borrower shall, if requested to do so by Swiss Borrower, within 10 Business Days of receiving such request confirm, as at the date on which it gives such confirmation whether it is a Swiss Qualifying Bank or a Swiss Non-Qualifying Bank (or, if it requires a confirmation by the Swiss Federal Tax Administration in order to be able to give such confirmation, a request for such a confirmation shall be filed by the relevant Lender with the Swiss Federal Tax Administration within 10 Business Days of it receiving such request and, upon receipt of the required confirmation from the Swiss Federal Tax Administration, the necessary confirmation by the relevant Lender shall be made within 10 Business Days of such confirmation being received by it).

(c) Any Lender to Swiss Borrower that ceases to be a Swiss Qualifying Bank shall provide written notice to Administrative Borrower and Funding Agent at least 20 Business Days' prior to the time that it ceases to be a Swiss Qualifying Bank. If as a result of such event the number of Swiss Non-Qualifying Banks under this Agreement exceeds the number ten, then, so long as no Significant Event or Default is in existence, Administrative Borrower shall have the right to request that the relevant Lender assign or transfer by novation all of its rights and obligations under this Agreement to an Eligible Assignee qualifying as a Swiss Qualifying Bank or another Lender qualifying as a Swiss Qualifying Bank, all in accordance with Section 11.04. The Funding Agent shall have no responsibility for determining whether or not an entity is a Swiss Qualified Bank, but shall track the number of Lenders from time to time that were unable to represent that they were Swiss Qualifying Banks in order to determine whether the number of Swiss Non-Qualifying Banks under this Agreement exceeds the number ten; provided that the Funding Agent shall have no liability for any determinations made hereunder unless such liability arises from its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a non-appealable decision).

(d) This Section 2.21, Section 2.06(j), Section 3.23 and Section 11.04 shall apply accordingly to any Borrower (other than Swiss Borrower), which is incorporated or established under the laws of, or for tax purposes resident in, Switzerland, or for tax purposes having a permanent establishment in Switzerland with which a Loan is effectively connected.

SECTION 2.22 Blocked Loan Parties. If a Loan Party would have been required to make any payment or perform any action under any provision of the Loan Documents but the relevant provision(s) (or any portion thereof) is (are) not enforceable against that Loan Party or

for any other reason that Loan Party is unable to fulfill its obligations under the Loan Documents (a "**Blocked Loan Party**"), the Administrative Borrower may designate which Loan Party shall fulfill the Blocked Loan Party's obligations, but only so long as the designated Loan Party is duly and promptly fulfilling such obligations, failing which all Loan Parties shall be jointly and severally liable for the performance thereof.

SECTION 2.23 Increase in Commitments.

(a) Borrowers Request. The Borrowers may by written notice to the Funding Agent and each Lender elect to request prior to December 31, 2011, a single increase to the existing Revolving Commitments by an amount not in excess of $100,000,000 in the aggregate. Such notice shall specify (i) the date on which the Borrowers propose that the increased or new Commitments shall be effective (each, an "**Increase Effective Date**"), the allocation of such Commitments between the U.S./European Commitment and the Canadian Commitment, and the time period within which each Lender is requested to respond, which in each case shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Funding Agent and the Lenders of the applicable Class. Each Lender of such Class (other that Lenders subject to replacement pursuant to Section 2.16 or a defaulting lender as described in Section 2.14(f)) in its sole and absolute discretion may notify the Funding Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Pro Rata Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment. Funding Agent shall notify the Administrative Borrower and each Lender of such Class of the Lenders' responses to each request made hereunder. If the existing Lenders do not agree to the full amount of a requested increase, the Administrative Borrower may then invite a Lender or any Lenders to increase their Commitments or invite additional financial institutions (reasonably satisfactory to Funding Agent and solely to the extent otherwise permitted by Section 11.04 (including Section 11.04(h)) and each other applicable requirement hereof, including Sections 2.20, 2.21 and 3.23) to become Lenders pursuant to an Increase Joinder.

(b) Conditions. The increased or new Commitments shall become effective, as of such Increase Effective Date; provided that:

(i) each of the conditions set forth in Section 4.02 shall be satisfied;

(ii) no Default shall have occurred and be continuing or would result from the borrowings to be made on the Increase Effective Date;

(iii) after giving pro forma effect to the borrowings to be made on the Increase Effective Date and to any change in Consolidated EBITDA and any increase in Indebtedness resulting from the consummation of any Permitted Acquisition or other Investment concurrently with such borrowings as of the date of the most recent financial statements delivered pursuant to Section 5.01(a) or (b), the Borrowers shall be in compliance with the covenant set forth in Section 6.10, to the extent applicable;

(iv) the Borrowers shall make any payments required pursuant to Section 2.12 in connection with any adjustment of Revolving Loans pursuant to Section 2.23(d); and

(v) the Borrowers shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Funding Agent in connection with any such transaction.

(c) Terms of New Loans and Commitments. The terms and provisions of Loans made pursuant to the new Commitments shall be identical to the Revolving Loans of the same Class. The increased or new Commitments shall be effected by a joinder agreement (the "**Increase Joinder**") executed by the Loan Parties, the Funding Agent and each Lender making such increased or new Commitment, in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Funding Agent, to effect the provisions of this Section 2.23. In addition, unless otherwise specifically provided herein, all references in Loan Documents to Revolving Loans shall be deemed, unless the context otherwise requires, to include references to Revolving Loans made pursuant to new Commitments made pursuant to this Agreement, and all references in Loan Documents to Commitments of a Class shall be deemed, unless the context otherwise requires, to include references to new Commitments of such Class made pursuant to this Agreement.

(d) Adjustment of Revolving Loans. Each of the Revolving Lenders having a Revolving Commitment of an applicable Class prior to such Increase Effective Date (the "**Pre-Increase Revolving Lenders**") shall assign to any Revolving Lender which is acquiring a new or additional Revolving Commitment of such Class on the Increase Effective Date (the "**Post-Increase Revolving Lenders**"), and such Post-Increase Revolving Lenders shall purchase from each Pre-Increase Revolving Lender, at the principal amount thereof, such interests in the Revolving Loans of such Class and participation interests in LC Exposure and Swingline Loans of such Class outstanding on such Increase Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans and participation interests in LC Exposure and Swingline Loans will be held by Pre-Increase Revolving Lenders and Post-Increase Revolving Lenders of such Class ratably in accordance with their Revolving Commitments of such Class after giving effect to such increased Revolving Commitments.

(e) Equal and Ratable Benefit. The Loans and Commitments established pursuant to this paragraph shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Funding Agent to ensure and/or demonstrate that the Lien and security interests granted by the Security Documents continue to be perfected under the UCC, the PPSA or otherwise after giving effect to the establishment of any such new Commitments.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent, the Funding Agent, the Issuing Bank and each of the Lenders (with references to the Companies being references thereto after giving effect to the Transactions unless otherwise expressly stated) that:

SECTION 3.01 **Organization; Powers**. Each Company (a) is duly organized or incorporated (as applicable) and validly existing under the laws of the jurisdiction of its organization or incorporation (as applicable), (b) has all requisite organizational or constitutional power and authority to carry on its business as now conducted and to own and lease its property and (c) is qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) to do business in every jurisdiction where such qualification is required, except in such jurisdictions where the failure to so qualify or be in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02 **Authorization; Enforceability**. The Transactions to be entered into by each Loan Party are within such Loan Party's organizational or constitutional powers and have been duly authorized by all necessary constitutional or organizational action on the part of such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 **No Conflicts**. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect Liens created by the Loan Documents (as reflected in the applicable Perfection Certificate) and (iii) consents, approvals, registrations, filings, permits or actions the failure to obtain or perform which could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of any Company, (c) will not violate any Requirement of Law, (d) will not violate or result in a default or require any consent or approval under any indenture, agreement or other instrument binding upon any Company or its property, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect, and (e) will not result in the creation or imposition of any Lien on any property of any Company, except Liens created by the Loan Documents and Permitted Liens. The execution, delivery and performance of the Loan Documents will not violate, or result in a default under, or require any consent or approval under, the Senior Notes, the Senior Note Documents, or the Term Loan Documents.

SECTION 3.04 **Financial Statements; Projections**.

(a) Historical Financial Statements. The Administrative Borrower has heretofore delivered to the Lenders the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Canadian Borrower (i) as of and for the fiscal years ended 2005 and 2006, audited by and accompanied by the unqualified opinion of PricewaterhouseCoopers, independent public accountants, and (ii) as of and for the three-month period ended March 30, 2007, and for the comparable period of the preceding fiscal year, in each case, certified by the chief financial officer of Canadian Borrower. Such financial statements and all financial statements delivered pursuant to Section 5.01(a), Section 5.01(b) and Section 5.01(c) have been prepared in accordance with GAAP and present fairly in all material respects the financial condition and results of operations and cash flows of Canadian Borrower as of the dates and for the periods to which they relate.

(b) No Liabilities. Except as set forth in the most recent financial statements referred to in Section 3.04(a), as of the Closing Date there are no liabilities of any Company of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, which could reasonably be expected to result in a Material Adverse Effect, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than liabilities under the Loan Documents, the Term Loan Documents and the Senior Notes. Since December 31, 2006, there has been no event, change, circumstance or occurrence that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Effect.

(c) Pro Forma Financial Statements. Borrowers have heretofore delivered to the Lenders in the Confidential Information Memorandum, the Canadian Borrower's unaudited *pro forma* consolidated capitalization table as of March 31, 2007, after giving effect to the Transactions as if they had occurred on such date. Such capitalization table has been prepared in good faith by the Loan Parties, based on the assumptions stated therein (which assumptions are believed by the Loan Parties on the date hereof to be reasonable), are based on the best information available to the Loan Parties as of the date of delivery thereof, accurately reflect all adjustments required to be made to give effect to the Transactions and present fairly in all material respects the pro forma capitalization of Holdings as of such date assuming the Transactions had occurred at such date, except as required to adjust for the final allocation as between the Revolving Loans and Term Loans.

(d) Forecasts. The forecasts of financial performance of the Canadian Borrower and its subsidiaries furnished to the Lenders have been prepared in good faith by the Loan Parties and based on assumptions believed by the Loan Parties to reasonable.

SECTION 3.05 Properties

(a) Generally. Each Company has good title to, valid leasehold interests in, or license of, all its property material to its business, free and clear of all Liens except for Permitted Liens. The property of the Companies, taken as a whole, (i) is in good operating order, condition and repair in all material respects (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Companies as presently conducted.

(b) Real Property. Schedules 8(a) and 8(b) to the Perfection Certificate dated the Closing Date contain a true and complete list of each interest in Real Property (i) owned by any Loan Party as of the date hereof having fair market value of $1 million or more and describes the type of interest therein held by such Loan Party and whether such owned Real Property is leased to a third party and (ii) leased, subleased or otherwise occupied or utilized by any Loan Party, as lessee, sublessee, franchisee or licensee, as of the date hereof having annual rental payments of $1 million or more and describes the type of interest therein held by such Loan Party.

(c) No Casualty Event. No Company has as of the date hereof received any notice of, nor has any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any material portion of its property. No Mortgage encumbers improved Real Property located in the United States that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act has been obtained in accordance with Section 5.04.

(d) Collateral. Each Company owns or has rights to use all of the Collateral used in, necessary for or material to each Company's business as currently conducted, except where the failure to have such ownership or rights of use could not reasonably be expected to have a Material Adverse Effect. The use by each Company of such Collateral does not infringe on the rights of any person other than such infringement which could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any Collateral does or may violate the rights of any third party that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Intellectual Property.

(a) Ownership/No Claims. Each Loan Party owns, or is licensed to use, all patents, software, trademarks, mask works, inventions, designs, trade names, service marks, copyrights, technology, trade secrets, proprietary information and data, domain names, know-how, processes and other comparable intangible rights necessary for the conduct of its business as currently conducted ("**Intellectual Property**"), except for those the failure to own or license which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. As of the date hereof, no material claim has been asserted and is pending by any person, challenging or questioning the use by any Loan Party of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does any Loan Party know of any valid basis for any such claim. The use of any Intellectual Property by each Loan Party, and the conduct of such Loan Party's business as currently conducted, does not infringe or otherwise violate the rights of any person in respect of Intellectual Property, except for such claims and infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Registrations. Except pursuant to non-exclusive licenses and other non-exclusive user agreements entered into by each Loan Party in the ordinary course of business, on and as of the date hereof (i) each Loan Party owns and possesses the right to use, and has

not authorized or enabled any other person to use, any Intellectual Property listed on any schedule to the relevant Perfection Certificate, or any other Intellectual Property that is material to its business, and (ii) all registrations listed in Schedule 12(a) or 12(b) to the Perfection Certificate are valid and in full force and effect, in each case where the failure to do so or the absence thereof could reasonably be expected to have a Material Adverse Effect.

(c) No Violations or Proceedings. To each Loan Party's knowledge, on and as of the date hereof, (i) there is no material infringement or other violation by others of any right of such Loan Party with respect to any Intellectual Property listed on any schedule to the relevant Perfection Certificate, or any other Intellectual Property that is material to its business, except as may be set forth on Schedule 3.06(c), and (ii) no claims are pending or threatened to such effect except as set forth on Schedule 3.06(c).

SECTION 3.07 Equity Interests and Subsidiaries.

(a) Equity Interests. Schedules 1(a) and 10 to the Perfection Certificate dated the Closing Date set forth a list of (i) all the Subsidiaries of Holdings and their jurisdictions of organization as of the Closing Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the Closing Date. As of the Closing Date, all Equity Interests of each Company held by Holdings or a Subsidiary thereof are duly and validly issued and are fully paid and non-assessable, and, other than the Equity Interests of Holdings, are owned by Holdings, directly or indirectly through Wholly Owned Subsidiaries except as indicated on Schedules 1(a) and 10 to the Perfection Certificate. All Equity Interests of Canadian Borrower are owned directly by Holdings. As of the Closing Date, each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the Security Documents, free of any and all Liens, rights or claims of other persons, except Permitted Liens, and as of the Closing Date there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) No Consent of Third Parties Required. Except as have previously been obtained, no consent of any person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or First Priority (subject to the Intercreditor Agreement) status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured Parties under the Security Documents or the exercise by the Collateral Agent of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect thereof.

(c) Organizational Chart. An accurate organizational chart, showing the ownership structure of Holdings, Borrowers and each Subsidiary on the Closing Date is set forth on Schedule 10 to the Perfection Certificate dated the Closing Date.

SECTION 3.08 Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Company, threatened against or affecting any Company or any business, property or rights of any Company (i) that involve any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. No Company or any of its property is in violation of, nor will the continued operation of its property as currently conducted violate, any Requirements of Law (including any zoning or building ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Company's Real Property or is in default with respect to any Requirement of Law, where such violation or default, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09 Agreements. No Company is a party to any agreement or instrument or subject to any corporate or other constitutional restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. No Company is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect. There is no existing default under any Organizational Document of any Company or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder that in each case could reasonably be expected to have an adverse effect on the Agents or the Lenders or their respective rights and benefits hereunder.

SECTION 3.10 Federal Reserve Regulations. No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock. No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, U or X. The pledge of the Securities Collateral pursuant to the Security Documents does not violate such regulations.

SECTION 3.11 Investment Company Act. No Company is an "investment company" or a company "controlled" by an "investment company," as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.12 Use of Proceeds. Borrowers will use the proceeds of the Revolving Loans and Swingline Loans (a) on the Closing Date for the Refinancing and (b) on and after the Closing Date for general corporate purposes (including to effect Permitted Acquisitions) and for payment of fees, premiums and expenses in connection with the Transactions.

SECTION 3.13 Taxes. Each Company has (a) timely filed or caused to be timely filed all material Tax Returns required to have been filed by it and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all material Taxes due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which such Company has

set aside on its books adequate reserves in accordance with GAAP or other applicable accounting rules and (ii) which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Company has made adequate provision in accordance with GAAP or other applicable accounting rules for all material Taxes not yet due and payable. Each Company is unaware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. No Company has ever been a party to any understanding or arrangement constituting a "tax shelter" within the meaning of Section 6111(c), Section 6111(d) or Section 6662(d)(2)(C)(iii) of the Code, or has ever "participated" in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4, except as could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 3.14 **No Material Misstatements**. The written information (including the Confidential Information Memorandum), reports, financial statements, certificates, exhibits or schedules furnished by or on behalf of any Company to any Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, taken as a whole, did not and does not contain any material misstatement of fact and, taken as a whole, did not and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not materially misleading in their presentation of Holdings and its Subsidiaries taken as a whole as of the date such information is dated or certified; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, each Loan Party represents only that it was prepared in good faith and based on assumptions believed by the applicable Loan Parties to be reasonable.

SECTION 3.15 **Labor Matters**. As of the Closing Date, there are no strikes, lockouts or labor slowdowns against any Company pending or, to the knowledge of any Company, threatened. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable federal, state, provincial, local or foreign law dealing with such matters in any manner which could reasonably be expected to result in a Material Adverse Effect. All payments due from any Company, or for which any claim may be made against any Company, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Company except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The consummation of the Hindalco Acquisition did not and will not, and the consummation of the Transactions will not, give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Company is bound, except as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.16 **Solvency**. (i) At the time of and immediately after the consummation of the Transactions to occur on the Closing Date and after giving effect to the application of the proceeds of each Loan made on such date and the operation of the Contribution, Intercompany, Contracting and Offset Agreement, (a) the fair value of the assets of each Loan Party (individually and on a consolidated basis with its Subsidiaries) will exceed its debts and liabilities, subordinated, contingent, prospective or otherwise; (b) the present fair saleable value of the property of each Loan Party (individually and on a consolidated basis with its

Subsidiaries) will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent, prospective or otherwise, as such debts and other liabilities become absolute and matured; (c) each Loan Party (individually and on a consolidated basis with its Subsidiaries) will be able to pay its debts and liabilities, subordinated, contingent, prospective or otherwise, as such debts and liabilities become absolute and matured; (d) each Loan Party (individually and on a consolidated basis with its Subsidiaries) will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date; and (e) each Loan Party is not "insolvent" as such term is defined under any bankruptcy, insolvency or similar laws of any jurisdiction in which any Loan Party is organized or incorporated (as applicable), or otherwise unable to pay its debts as they fall due.

(ii) At the time of and immediately following the making of each Loan and after giving effect to the application of the proceeds of each Loan and the operation of the Contribution, Intercompany, Contracting and Offset Agreement, (a) the fair value of the assets of each Borrower, Borrowing Base Guarantor and German Guarantor (for purposes of this Section 3.16, a "Principal Loan Party") (individually and on a consolidated basis with its Subsidiaries) will exceed its debts and liabilities, subordinated, contingent, prospective or otherwise; (b) the present fair saleable value of the property of each Principal Loan Party (individually and on a consolidated basis with its Subsidiaries) will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent, prospective or otherwise, as such debts and other liabilities become absolute and matured; (c) each Principal Loan Party (individually and on a consolidated basis with its Subsidiaries) will be able to pay its debts and liabilities, subordinated, contingent, prospective or otherwise, as such debts and liabilities become absolute and matured; (d) each Principal Loan Party (individually and on a consolidated basis with its Subsidiaries) will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date; and (e) each Principal Loan Party is not "insolvent" as such term is defined under any bankruptcy, insolvency or similar laws of any jurisdiction in which such Principal Loan Party is organized or incorporated (as applicable), or otherwise unable to pay its debts as they fall due.

SECTION 3.17 Employee Benefit Plans. Each Company and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect or the imposition of a Lien on any of the property of any Company. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the property of all such underfunded Plans in an amount which could reasonably be expected to have a Material Adverse Effect. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of each Company or its ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most

recent fiscal year of each such Multiemployer Plan, could not reasonably be expected to result in a Material Adverse Effect.

To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable Governmental Authority and Taxing Authority, except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No Company has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan, except to the extent of liabilities which could not reasonably be expected to have a Material Adverse Effect. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan which is funded, determined as of the end of the most recently ended fiscal year of the respective Company on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan, and for each Foreign Plan which is not funded, the obligations of such Foreign Plan are properly accrued in the financial statements of the Canadian Borrower and its Subsidiaries, in each case in an amount that could not reasonably be expected to have a Material Adverse Effect.

Except as specified on Schedule 3.17, (i) no Company is or has at any time been an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993), and (ii) no Company is or has at any time been “connected” with or an “associate” of (as those terms are used in Sections 39 and 43 of the Pensions Act 2004) such an employer.

SECTION 3.18 Environmental Matters.

(a) Except as, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(i) The Companies and their businesses, operations and Real Property are in compliance with, and the Companies have no liability under, any applicable Environmental Law;

(ii) The Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of their property, under Environmental Law, all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, under or from any Real Property or facility presently or formerly owned, leased or operated by the Companies or their predecessors in interest that could reasonably be expected to result in liability of the Companies under any applicable Environmental Law;

(iv) There is no Environmental Claim pending or, to the knowledge of the Companies, threatened against the Companies, or relating to the Real Property currently or formerly owned, leased or operated by the Companies or their predecessors in interest or relating to the operations of the Companies, and, to the best knowledge of the Loan Parties after due

inquiry, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Claim;

(v) No Lien has been recorded or, to the knowledge of any Company, threatened under any Environmental Law with respect to any Real Property or other assets of the Companies;

(vi) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not require any notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup pursuant to any Governmental Real Property Disclosure Requirements or any other applicable Environmental Law; and

(vii) No person with an indemnity or contribution obligation to the Companies relating to compliance with or liability under Environmental Law is in default with respect to such obligation.

(b) As of the Closing Date:

(i) Except as could not reasonably be expected to have a Material Adverse Effect, no Company is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Company is conducting or financing any Response pursuant to any Environmental Law with respect to any Real Property or any other location; and

(ii) No Real Property or facility owned, operated or leased by the Companies and, to the knowledge of the Companies, no Real Property or facility formerly owned, operated or leased by the Companies or any of their predecessors in interest is (i) listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA or (iii) included on any similar publicly available list maintained by any Governmental Authority including any such list relating to petroleum.

SECTION 3.19 Insurance. Schedule 3.19 sets forth a true and correct description of all insurance policies maintained by each Company as of the Closing Date. All insurance maintained by the Companies and required by Section 5.04 is in full force and effect, and all premiums thereon have been duly paid. As of the Closing Date, no Company has received notice of violation or cancellation thereof, the Mortgaged Property, and the use, occupancy and operation thereof, comply in all material respects with all Insurance Requirements, and there exists no material default under any Insurance Requirement. Each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.20 Security Documents.

(a) U.S. Security Agreement. The U.S. Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and

enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date and (ii) upon the taking of possession or control by the Collateral Agent of the Security Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Agreement), the Liens created by the Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than such Security Agreement Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(b) Canadian Security Agreement. Each of the Canadian Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when PPSA financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Canadian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under the PPSA as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(c) U.K. Security Agreement. The U.K. Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registration specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the U.K. Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(d) Swiss Security Agreement. The Swiss Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the Swiss Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(e) German Security Agreement. The German Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, or in the case of accessory security, in favor of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the German Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(f) Irish Security Agreement. The Irish Security Agreement is effective to create in favor of the Collateral Agent for the benefit of and as trustee for the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the Irish Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(g) Brazilian Security Agreement. Each Brazilian Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by each of the Brazilian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(h) Intellectual Property Filings. When the (i) financing statements and other filings in appropriate form referred to on Schedule 7 to the relevant Perfection Certificate have been made, and (ii) U.S. Security Agreement or a short form thereof is filed in the United States Patent and Trademark Office and the United States Copyright Office, the Liens created by such Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in Patents and Trademarks (each as defined in such Security Agreement) that are registered or applied for by any Loan Party with the United States Patent and Trademark Office or Copyrights (as defined in such Security Agreement) registered or applied for by any Loan Party with the United States Copyright Office, as the case may be, in each case subject to no Liens other than Permitted Liens.

(i) Mortgages. Each Mortgage (other than a Mortgage granted by a U.K. Borrower) is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, legal, valid, perfected and enforceable First Priority Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens or other Liens acceptable to the Collateral Agent, and when such Mortgages are filed in the offices specified on Schedule 8(a) to the applicable Perfection Certificates dated the Closing Date (or, in the case of any Mortgage executed and delivered after the date thereof in accordance with the provisions of Section 5.11 and Section 5.12, when such Mortgage is filed in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Section 5.11 and Section 5.12), the Mortgages shall constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

The Mortgages granted by the U.K. Borrower and each applicable U.K. Guarantor under the relevant U.K. Security Agreement are effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, legal, valid and enforceable Liens on all of each such Loan Party's right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when the Mortgages are filed with the Land Registry, the Mortgages shall constitute fully perfected First Priority Liens on, and security interest in, all right, title and interest of the U.K. Borrower and each applicable U.K. Guarantor in such Mortgaged Property and the proceeds thereof, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Permitted Liens.

(j) Valid Liens. Each Security Document delivered pursuant to Section 5.11 and Section 5.12 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Collateral thereunder, and (i) when all appropriate filings, registrations or recordings and other actions set forth in the relevant Perfection Certificate are made in the appropriate offices as may be required under applicable law and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent required by any Security Document), such Security Document will constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral, in each case subject to no Liens other than the applicable Permitted Liens.

(k) Receivables Purchase Agreement. The Receivables Purchase Agreement is in full force and effect. Each representation and warranty under the Receivables Purchase Agreement of each Loan Party party thereto is true and correct on and as of the date made thereunder. No "Termination Event" (as defined therein) has occurred under the Receivables Purchase Agreement.

SECTION 3.21 Acquisition Documents; Material Indebtedness Documents; Representations and Warranties in Acquisition Agreement. Schedule 3.21 lists, as of the

Closing Date, (i) the Acquisition Agreement and each material agreement, certificate, instrument, letter or other document delivered pursuant to the Acquisition Agreement or otherwise entered into, executed or delivered by any Loan Party or Acquiror in connection with the Hindalco Acquisition (each, an "**Acquisition Document**"), (ii) each material Senior Note Document, (iii) each material Term Loan Document, (iv) each material agreement, certificate, instrument, letter or other document delivered pursuant to the Subordinated Debt Loan, and (v) each material agreement, certificate, instrument, letter or other document evidencing any other Material Indebtedness, and the Lenders have been furnished true and complete copies of each of the foregoing. All representations and warranties of each Company set forth in the Acquisition Agreement were true and correct in all material respects as of the time such representations and warranties were made and no default has occurred under the Acquisition Agreement.

SECTION 3.22 Anti-Terrorism Law. No Loan Party and, to the knowledge of the Loan Parties, none of its Affiliates is in violation of any Requirement of Law relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

No Loan Party and to the knowledge of the Loan Parties, no Affiliate or broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Loans is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list.

No Loan Party and, to the knowledge of the Loan Parties, no broker or other agent of any Loan Party acting in any capacity in connection with the Loans (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clauses (i) through (v) above, (y) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (z) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

SECTION 3.23 **Ten Non-Bank Regulations and Twenty Non-Bank Regulations**

(a) Swiss Borrower shall ensure that while it is a Borrower:

(i) the aggregate number of Lenders of Swiss Borrower under this Agreement which are not Swiss Qualifying Banks must not exceed ten (10), (as per Ten Non-Bank Regulations); and

(ii) the aggregate number of creditors (including the Lenders), other than Swiss Qualifying Banks, where applicable, of Swiss Borrower under all outstanding loans, facilities and/or private placements (including under this Agreement) must not at any time exceed twenty (20) (as per Twenty Non-Bank Regulations), in each case where failure to do so would have, or would reasonably be expected to have, a Material Adverse Effect.

(b) Swiss Borrower will for the purposes of determining the total number of creditors which are Swiss Non-Qualifying Bank for the purposes of the 20 Non-Bank Creditor Rule ensure that at all times at least 10 Lenders that are Swiss Non-Qualifying Banks are permitted as Lenders (the Permitted Swiss Non-Qualifying Banks) (irrespective of whether or not there are, at any time, any such Permitted Swiss Non-Qualifying Bank).

SECTION 3.24 **Location of Material Inventory and Equipment**. Schedule 3.24 sets forth as of the Closing Date all locations where the aggregate value of Inventory and Equipment (other than mobile Equipment or Inventory in transit) owned by the Loan Parties exceeds $1,000,000.

SECTION 3.25 **Accuracy of Borrowing Base**. At the time any Borrowing Base Certificate is delivered pursuant to this Agreement, each Account and each item of Inventory included in the calculation of the Borrowing Base satisfies all of the criteria stated herein to be an Eligible Account and an item of Eligible Inventory, respectively.

SECTION 3.26 **Senior Notes; Material Indebtedness**. The Obligations constitute "Senior Debt" or "Designated Senior Indebtedness" (or any other defined term having a similar purpose) within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with additional Term Loans). The Commitments and the Loans and other extensions of credit under the Loan Documents constitute "Credit Facilities" (or any other defined term having a similar purpose) within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with additional Term Loans). The consummation of each of (i) the Hindalco Acquisition, (ii) the Transactions, (iii) each incurrence of Indebtedness hereunder and (iv) the granting of the Liens provided for under the Security Documents to secure the Secured Obligations is permitted under, and, in each case, does not require any consent or approval under, the terms of (A) the Senior Note Documents (and any Permitted Refinancings thereof), the Term Loan Documents (and any Permitted Term Loan Facility Refinancings thereof) or any other Material Indebtedness or (B) any other material agreement or instrument binding upon any Company or any of its property except, in the case of this clause (B), as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.27 **Centre of Main Interests and Establishments**. For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), (i) the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each U.K. Loan Party is situated in England and Wales, (ii) the centre of main interest of each Irish Guarantor is situated in Ireland, and in each case each has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, (iii) the centre of main interest of each Swiss Loan Party is situated in Switzerland, and in each case each has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, and (iv) the centre of main interest of German Seller is situated in Germany.

SECTION 3.28 **Holding and Dormant Companies**. Except as may arise under the Loan Documents, the Term Loan Documents or (in the case of Novelis Europe Holdings Limited) the Senior Notes, neither Holdings nor Novelis Europe Holdings Limited, trades or has any liabilities or commitments (actual or contingent, present or future) other than liabilities attributable or incidental to acting as a holding company of shares in the Equity Interests of its Subsidiaries.

SECTION 3.29 **Hindalco Acquisition**. The Hindalco Acquisition was consummated on the Acquisition Closing Date in all material respects in accordance with the terms and conditions of the Acquisition Agreement, without the waiver or amendment of any such terms or conditions not approved by the Funding Agent and the Arrangers other than any waiver or amendment thereof that was not materially adverse to the interests of the Lenders.

SECTION 3.30 **Excluded Collateral Subsidiaries**. The Excluded Collateral Subsidiaries as of the Closing Date are listed on Schedule 1.01(e).

SECTION 3.31 **Immaterial Subsidiaries**. The Immaterial Subsidiaries as of the Closing Date are listed on Schedule 1.01(f).

ARTICLE IV.

CONDITIONS TO CREDIT EXTENSIONS

SECTION 4.01 **Conditions to Initial Credit Extension**. The obligation of each Lender and, if applicable, each Issuing Bank to fund the initial Credit Extension requested to be made by it shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.01.

(a) Loan Documents. The Funding Agent shall have received executed counterparts of each of the following, properly executed by a Responsible Officer of each applicable signing Loan Party, each in form and substance reasonably satisfactory to the Funding Agent and its legal counsel:

(i) this Agreement,

(ii) each Foreign Guaranty;

(iii) the initial Borrowing Base Certificate,

(iv) the Intercreditor Agreement;

(v) the Contribution, Intercompany, Contracting and Offset Agreement;

(vi) the Receivables Purchase Agreement;

(vii) a Note executed by each applicable Borrower in favor of each Lender that has requested a Note prior to the Closing Date;

(viii) the U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement, each Irish Security Agreement, each Brazilian Security Agreement and each other Security Document requested by the Funding Agent prior to the Closing Date; and

(ix) the Perfection Certificates.

(b) Corporate Documents. The Funding Agent shall have received:

(i) a certificate of the secretary, assistant secretary or managing director (where applicable) of each Loan Party dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document (or its equivalent including the constitutional documents) of such Loan Party certified (to the extent customary in the applicable state) as of a recent date by the Secretary of State (or equivalent Governmental Authority) of the jurisdiction of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors and/or shareholders, as applicable, of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of Borrowers, the borrowings hereunder, and that such resolutions, or any other document attached thereto, have not been modified, rescinded, amended or superseded and are in full force and effect, (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary, assistant secretary or managing director executing the certificate in this clause (i), and other customary evidence of incumbency) and (D) that the borrowing, guarantee, or granting of Liens with respect to the Loans or any of the other Secured Obligations would not cause any borrowing, guarantee, security or similar limit binding on any Loan Party to be exceeded;

(ii) a certificate as to the good standing (where applicable, or such other customary functionally equivalent certificates or abstracts) of each Loan Party (in so-called "long-form" if available) as of a recent date, from such Secretary of State (or other applicable Governmental Authority);

(iii) evidence that the records of the applicable Loan Parties at the United Kingdom Companies House and each other relevant registrar of companies (or equivalent Governmental Authority) in the respective jurisdictions of organization of the Loan Parties are accurate, complete and up to date and that the latest relevant accounts have been duly filed, where applicable;

(iv) if relevant, evidence that each Irish Guarantor has done all that is necessary to follow the procedures set out in Sub-Sections (2) and (11) of section 60 of the Companies Act 1963 of Ireland in order to enable it to enter into the Loan Documents;

(v) a copy of the constitutional documents of any Person incorporated in Ireland whose shares are subject to security under any Security Document, together with any resolutions of the shareholders of such Person adopting such changes to the constitutional documents of that Person to remove any restriction on any transfer of shares or partnership interests (or equivalent) in such Person pursuant to any enforcement of any such Security Document;

(vi) evidence that each of the Loan Parties are members of the same group of companies consisting of a holding company and its subsidiaries for the purposes of Section 155 of the Companies Act 1963 of Ireland and Section 35 of the Companies Act 1990 of Ireland; and

(vii) such other documents as the Lenders, the Issuing Bank or the Funding Agent may reasonably request.

(c) Officers' Certificate. The Funding Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Canadian Borrower, certifying (i) compliance with the conditions precedent set forth in this Section 4.01 and Section 4.02(b) and (c), (ii) as to the absence of any Acquisition Material Adverse Effect from September 30, 2006, through the Acquisition Closing Date, (iii) that the representations and warranties of each Company set forth in the Acquisition Agreement shall have been true and correct (without giving effect to any materiality qualifiers set forth therein) as of the Acquisition Closing Date as if made on and as of such date (except (a) to the extent such representations and warranties speak solely as of an earlier date, in which event such representations and warranties shall be true and correct to such extent as of such earlier date, (b) other than in the case of the representations and warranties specifically referred to in clause (c) below, to the extent that facts or matters as to which such representations and warranties are not so true and correct as of such dates, individually or in the aggregate, have not had and would not have a Acquisition Material Adverse Effect, and (c) in the case of the representations and warranties set forth in Section 3.03 of the Acquisition Agreement such representations and warranties shall have been true and correct in all material respects), (iv) that each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document were true and correct in all material respects on and as of the Closing Date, except to the extent such representations and warranties expressly related to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

(d) Financings and Other Transactions, etc.

(i) (A) The Hindalco Acquisition shall have been consummated in all material respects in accordance with the terms of the Acquisition Agreement, without the waiver or amendment of any such terms not approved by the Funding Agent and the Arrangers other than any waiver or amendment thereof that is not materially adverse to the interests of the Lenders and (B) the Transactions shall have been consummated or shall be consummated

simultaneously on the Closing Date, in each case in all material respects in accordance with the terms hereof and the terms of the Transaction Documents, without the waiver or amendment of any such terms not approved by the Funding Agent and the Arrangers other than any waiver or amendment thereof that is not materially adverse to the interests of the Lenders.

(ii) The Canadian Borrower and Novelis Corporation shall contemporaneously receive an aggregate of $960 million in gross proceeds from borrowings under the Term Loan Credit Agreement.

(iii) The Refinancing shall be consummated contemporaneously with the transactions contemplated hereby in full to the satisfaction of the Lenders with all Liens in favor of the existing lenders being unconditionally released; the Funding Agent shall have received a "pay-off" letter in form and substance reasonably satisfactory to the Funding Agent with respect to all debt being refinanced in the Refinancing; and the Funding Agent shall have received from any person holding any Lien securing any such debt, such UCC termination statements, mortgage releases, releases of assignments of leases and rents, releases of security interests in Intellectual Property and other instruments, in each case in proper form for recording, as the Funding Agent shall have reasonably requested to release and terminate of record the Liens securing such debt.

(e) Financial Statements; Pro Forma Balance Sheet; Projections. The Funding Agent shall have received the financial statements described in Section 3.04(a) and the *pro forma* capitalization table described in Section 3.04(c), together with forecasts of the financial performance of the Companies.

(f) Indebtedness and Minority Interests. After giving effect to the Transactions and the other transactions contemplated hereby, no Company shall have outstanding any Indebtedness or preferred stock other than (i) the Loans and Credit Extensions hereunder, (ii) the Term Loans, (iii) the Senior Notes, (iv) the Subordinated Debt Loan, (v) the Indebtedness listed on Schedule 6.01(b), (vi) Indebtedness owed to, and preferred stock held by, any Borrower or any Guarantor to the extent permitted hereunder and (vii) other Indebtedness permitted under Section 6.01.

(g) Opinions of Counsel. The Funding Agent shall have received, on behalf of itself, the other Agents, the Arrangers, the Lenders and the Issuing Bank, (i) a favorable written opinion of Torys LLP, special counsel for the Loan Parties, (ii) a favorable written opinion of each local and foreign counsel of the Loan Parties listed on Schedule 4.01(g), in each case (A) dated the Closing Date, (B) addressed to the Agents, the Issuing Bank and the Lenders and (C) covering the matters set forth in Exhibit N and such other matters relating to the Loan Documents and the Transactions as the Funding Agent shall reasonably request, and (iii) a copy of each legal opinion (if any) delivered in connection with the Hindalco Acquisition.

(h) Solvency Certificate. The Funding Agent shall have received a solvency certificate in the form of Exhibit O (or in such other form as is satisfactory to the Funding Agent to reflect applicable legal requirements), dated the Closing Date and signed by a senior Financial Officer of each Loan Party or the Canadian Borrower.

(i) Requirements of Law. The Funding Agent shall be satisfied that Holdings, its Subsidiaries and the Transactions shall be in full compliance with all material Requirements of Law, including Regulations T, U and X of the Board, and shall have received satisfactory evidence of such compliance reasonably requested by them.

(j) Consents. All approvals of Governmental Authorities and third parties (i) required to be obtained under the Hindalco Acquisition Agreement or (ii) necessary to consummate the Transactions shall been obtained and shall be in full force and effect.

(k) Litigation. There shall be no governmental or judicial action, actual or threatened, that has or would have, singly or in the aggregate, a reasonable likelihood of restraining, preventing or imposing burdensome conditions on the Transactions or the Hindalco Acquisition.

(l) Sources and Uses. The sources and uses of the Loans shall be as set forth in Schedule 4.01(l).

(m) Fees. The Arrangers and Funding Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including the reasonable legal fees and expenses of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Agents, and the reasonable fees and expenses of any local counsel, foreign counsel, appraisers, consultants and other advisors) required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document.

(n) Personal Property Requirements. The Collateral Agent shall have received:

(i) except to the extent otherwise provided in the Intercreditor Agreement, all certificates, agreements or instruments, if any, representing or evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(ii) except to the extent otherwise provided in the Intercreditor Agreement, the Intercompany Note executed by and among the Canadian Borrower and each of its Subsidiaries, accompanied by instruments of transfer undated and endorsed in blank;

(iii) except to the extent otherwise provided in the Intercreditor Agreement, all other certificates, agreements (including Control Agreements) or instruments necessary to perfect the Collateral Agent's security interest in all "Chattel Paper", "Instruments", "Deposit Accounts" and "Investment Property" (as each such term is defined in the U.S. Security Agreement) of each Loan Party to the extent required hereby or under the relevant Security Documents;

(iv) UCC financing statements in appropriate form for filing under the UCC, filings with the United States Patent and Trademark Office and United States Copyright Office PPSA filings, and such other documents under applicable Requirements of Law in each jurisdiction as may be necessary or appropriate or, in the opinion of the Collateral Agent, desirable to perfect the Liens created, or purported to be created, by the Security Documents;

(v) certified copies of UCC, United States Patent and Trademark Office and United States Copyright Office, PPSA, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches (in jurisdictions where such searches are available), each of a recent date listing all outstanding financing statements, lien notices or comparable documents that name any Loan Party as debtor and that are filed in those state and county (or other applicable) jurisdictions in which any property of any Loan Party (other than Inventory in transit) is located and the state and county (or other applicable) jurisdictions in which any Loan Party is organized or maintains its principal place of business and such other searches that the Collateral Agent deems necessary or appropriate, none of which are effective to encumber the Collateral covered or intended to be covered by the Security Documents (other than Permitted Liens);

(vi) evidence acceptable to the Collateral Agent of payment or arrangements for payment by the Loan Parties of all applicable recording taxes, fees, charges, costs and expenses required for the recording of the Security Documents;

(vii) evidence that all Liens (other than Permitted Liens) affecting the assets of the Loan Parties have been or will be discharged on or before the Closing Date (or, in the case of financing statement filings or similar notice of lien filings that do not evidence security interests (other than security interests that are discharged on or before the Closing Date), that arrangements with respect to the release or termination thereof satisfactory to the Funding Agent have been made);

(viii) copies of all notices required to be sent and other documents required to be executed under the Security Documents;

(ix) all share certificates, duly executed and stamped stock transfer forms and other documents of title required to be provided under the Security Documents; and

(x) evidence that the records of the U.K. Borrower and Novelis Europe Holding Limited at the United Kingdom Companies House are accurate, complete and up to date and that the latest relevant accounts have been duly filed.

(o) Real Property Requirements. The Collateral Agent shall have received:

(i) a Mortgage encumbering each Mortgaged Property in favor of the Collateral Agent, for the benefit of the Secured Parties, duly executed and acknowledged by each Loan Party that holds any direct interest in such Mortgaged Property, and otherwise in form for recording in the recording office of each applicable political subdivision where each such Mortgaged Property is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof to create a lien under applicable Requirements of Law, and such financing statements and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, all of which shall be in form and substance reasonably satisfactory to Collateral Agent;

(ii) with respect to each Mortgaged Property, such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as necessary to consummate the Transactions or as shall reasonably be deemed necessary by the

Collateral Agent in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Property to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Property;

(iii) with respect to each Mortgage of property located in the United States, Canada or, to the extent reasonably requested by the Collateral Agent, any other jurisdictions, (a) a policy of title insurance (or marked up title insurance commitment having the effect of a policy of title insurance) insuring the Lien of such Mortgage as a valid, perfected mortgage Lien on the Mortgaged Property and fixtures described therein having the priority specified in the Intercreditor Agreement in the amount equal to not less than 115% of the fair market value of such Mortgaged Property and fixtures, which fair market value is set forth on Schedule 4.01(o)(iii), which policy (or such marked-up commitment) (each, a "**Title Policy**") shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements (with provisions for direct access, if necessary) as shall be reasonably acceptable to the Collateral Agent, (C) contain a "tie-in" or "cluster" endorsement, if available under applicable law (*i.e.*, policies which insure against losses regardless of location or allocated value of the insured property up to a stated maximum coverage amount), (D) have been supplemented by such endorsements (or where such endorsements are not available, opinions of special counsel, architects or other professionals reasonably acceptable to the Collateral Agent) as shall be reasonably requested by the Collateral Agent (including endorsements on matters relating to usury, first loss, last dollar, zoning, contiguity, revolving credit, doing business, non-imputation, public road access, survey, variable rate, environmental lien, subdivision, mortgage recording tax, separate tax lot, revolving credit, and so-called comprehensive coverage over covenants and restrictions), and (E) contain no exceptions to title other than exceptions acceptable to the Collateral Agent, it being acknowledged that Permitted Liens of the type described in Section 6.02(a), 6.02(b), 6.02(d), 6.02(f) (clause (x) only), 6.02(g), and 6.02(k) shall be acceptable or (b) in respect of Mortgaged Property situated outside the United States, a title opinion of the Canadian Borrower's local counsel in form and substance satisfactory to the Collateral Agent;

(iv) with respect to each applicable Mortgaged Property, such affidavits, certificates, information (including financial data) and instruments of indemnification (including a so-called "gap" indemnification) as shall be required to induce the Title Company to issue the Title Policy/ies and endorsements contemplated above;

(v) evidence reasonably acceptable to the Collateral Agent of payment by the applicable Borrowers of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages and issuance of the Title Policies referred to above;

(vi) with respect to each Real Property or Mortgaged Property, copies of all Leases in which any Loan Party or any Subsidiary holds the lessor's interest or other agreements relating to possessory interests, if any, in each case providing for annual rental payments in excess of $250,000. To the extent any of the foregoing affect any Mortgaged Property, such agreement shall be subordinate to the Lien of the Mortgage to be recorded against such Mortgaged Property, either expressly by its terms or pursuant to a subordination, non-disturbance and attornment agreement, and shall otherwise be acceptable to the Collateral Agent;

(vii) with respect to each Mortgaged Property, each Company shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, all Governmental Real Property Disclosure Requirements applicable to such Mortgaged Property;

(viii) to the extent requested by the Collateral Agent, Surveys with respect to the Mortgaged Properties;

(ix) a completed Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each Mortgaged Property situated in the United States;

(x) (a) title deeds to each real and leasehold property situated in England and Wales secured in favor of the Collateral Agent; or (b) a letter (satisfactory to the Collateral Agent) from solicitors holding those title deeds undertaking to hold them to the order of the Collateral Agent; or (c) if any document is at the Land Registry, a certified copy of that document and a letter from the U.K. Borrower's solicitors directing the registry to issue the document to the Collateral Agent or its solicitors; and

(xi) in relation to property situated in England and Wales, if applicable, satisfactory priority searches at the Land Registry and Land Charges Searches, giving not less that 25 Business Days' priority notice beyond the date of the debenture and evidence that no Lien is registered against the relevant property (other than Permitted Liens or any Liens that will be released on the date of first drawdown, such searches to be addressed to or capable of being relied upon by the Secured Parties).

(p) Insurance. The Funding Agent shall have received a copy of, or a certificate as to coverage under, the property and liability insurance policies required by Section 5.04 and the applicable provisions of the Security Documents, each of which shall be endorsed or otherwise amended to include a "standard" lender's loss payable or mortgagee endorsement (as applicable) and shall name the Collateral Agent, on behalf of the Secured Parties, as additional insured, in form and substance satisfactory to the Funding Agent.

(q) USA Patriot Act. The Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information that may be required by the Lenders in order to enable compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the United States PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) including, without limitation, the information described in Section 11.13.

(r) Minimum Excess Availability. As of the Closing Date and after giving pro forma effect to the prepayment required by Section 2.10(g), Excess Availability shall be not less than $300 million.

(s) Initial Borrowing Base Certificate. The Collateral Agent and the Funding Agent shall have received a Borrowing Base Certificate, dated the Closing Date and certifying the Borrowing Base as of May 31, 2007.

(t) Take Over Audit — Inventory and Accounts. Within five (5) days prior to the Closing Date, the Collateral Agent's staff and/or agents shall have conducted a supplemental

"take over audit" which supports and confirms (i) to the satisfaction of the Collateral Agent, the calculation of the initial Borrowing Base, (ii) no material change in the procedures since the delivery of the Inventory Appraisal, (iii) no material change in sales, Inventory turn or the level of Inventory since the delivery of the Inventory Appraisal and (iv) the accuracy in all material respects of the representations and warranties set forth herein.

(u) Cash Management. The Collateral Agent and the Funding Agent shall have reviewed and approved the Companies' cash management system and shall have received executed blocked account agreements (or, with respect to countries other than the United States and Canada, other customary arrangements) from all of the financial institutions where the Loan Parties maintain bank accounts or securities accounts (except as may otherwise be agreed by the Collateral Agent) in form and substance satisfactory to Funding Agent and Collateral Agent and in accordance with Section 9.01.

(v) Process Agent. The Collateral Agent and the Funding Agent shall have received evidence of the acceptance by the Process Agent of its appointment as such by the Loan Parties.

(w) Outstanding Indebtedness. The Collateral Agent and the Funding Agent shall have received evidence that the amount of funded indebtedness and unfunded commitments under that certain Credit Agreement, dated as of January 7, 2005, among Novelis Inc., Novelis Corporation, Novelis Deutschland GmbH, Novelis UK Ltd, Novelis AG, the lenders and issuers party thereto, and Citicorp North America, Inc., as administrative agent and collateral agent (as amended, restated, supplemented or otherwise modified), shall not exceed $1,500 million.

SECTION 4.02 Conditions to All Credit Extensions. The obligation of each Lender and each Issuing Bank to make any Credit Extension (including the initial Credit Extension) shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below.

(a) Notice. The Funding Agent shall have received a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested or, in the case of the issuance, amendment, extension or renewal of a Letter of Credit, the applicable Issuing Bank and the Funding Agent shall have received an LC Request as required by Section 2.18(b) or, in the case of the Borrowing of a Swingline Loan, the Swingline Lender and the Funding Agent shall have received a Borrowing Request as required by Section 2.17.

(b) No Default. No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom (subject to Section 4.02(c) and Section 4.03 in the case of the initial Credit Extension).

(c) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such

representation and warranty shall have been true and correct in all material respects as of such earlier date; provided that in the case of the initial Credit Extension hereunder only, the representations contained in Sections 3.04 (Financial Statements; Projections), 3.05 (Properties), 3.06 (Intellectual Property), 3.07 (Equity Interests and Subsidiaries), 3.08 (Litigation; Compliance with Laws) (other than clause (i) thereunder), 3.09 (Agreements), 3.13 (Taxes), 3.14 (No Material Misstatements), 3.15 (Labor Matters), 3.17 (Employee Benefit Plans), 3.18 (Environmental Matters), 3.19 (Insurance), 3.21 (Acquisition Documents; Material Indebtedness Documents; Representations and Warranties in Acquisition Agreement), 3.24 (Location of Material Inventory and Equipment), 3.26 (Senior Notes; Material Indebtedness) (solely with regard to the first sentence thereof), 3.27 (Centre of Main Interests and Establishments) and 3.28 (Holding and Dormant Companies) shall only be conditions to the obligation of each Lender and each applicable Issuing Bank to fund the initial Credit Extension requested to be made by it on the date of the initial Credit Extensions hereunder to the extent that, as a result of the breach of such representation, Acquiror (x) had or would have had the right to terminate its obligations under the Acquisition Agreement on the Acquisition Closing Date (or to not consummate the Hindalco Acquisition on the Acquisition Closing Date) and (y) Acquiror or any of its affiliates, representatives or advisors had, as of the Acquisition Closing Date, knowledge of such right to terminate or right to not consummate the Acquisition.

(d) No Legal Bar. With respect to each Lender, no order, judgment or decree of any Governmental Authority shall purport to restrain such Lender from making any Loans to be made by it. No injunction or other restraining order shall have been issued, shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Loans hereunder.

Each of the delivery of a Borrowing Request or an LC Request and the acceptance by any Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by each Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Section 4.02(b) through (d) have been satisfied (which representation and warranty shall be deemed limited to the knowledge of the Loan Parties in the case of the first sentence of Section 4.02(d)). Borrowers shall provide such information (including, if applicable, calculations in reasonable detail of the covenants in Section 6.10) as the Funding Agent may reasonably request to confirm that the conditions in Section 4.02(b) through (d) have been satisfied.

SECTION 4.03 Certain Collateral Matters. To the extent any Collateral (other than the pledge and perfection of the Lien of the Collateral Agent in the Equity Interests of Subsidiaries held by the Loan Parties (to the extent required hereunder) and other assets pursuant to which a lien may be perfected by the filing of a financing statement under the UCC, the PPSA and other similar filings in other applicable jurisdictions) is not provided on the Closing Date after use by Holdings and its Subsidiaries of commercially reasonable efforts to do so, the delivery of such Collateral shall not constitute a condition precedent to the Closing Date, but shall be required to be delivered after the Closing Date pursuant to arrangements and timing to be mutually agreed by the Borrowers and the Funding Agent, provided, however, that failure by

the Loan Parties to pledge and perfect Liens on Collateral in the Borrowing Base will limit the eligibility of such Collateral for inclusion in the Borrowing Base.

ARTICLE V.

AFFIRMATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired or been fully cash collateralized and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, each Loan Party will, and will cause each of its Subsidiaries to:

SECTION 5.01 **Financial Statements, Reports, etc.** Furnish to the Funding Agent (and the Funding Agent shall make available to the Lenders, on the Platform or otherwise, in accordance with its customary procedures):

(a) Annual Reports. As soon as available and in any event within the earlier of (i) ninety (90) days and (ii) such shorter period as may be required by the Securities and Exchange Commission, after the end of each fiscal year, beginning with the first fiscal year ending after the Closing Date, (i) the consolidated balance sheet of Canadian Borrower as of the end of such fiscal year and related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto, all prepared in accordance with Regulation S-X and accompanied by an opinion of independent public accountants of recognized national standing reasonably satisfactory to the Funding Agent (which opinion shall not be qualified as to scope or contain any going concern qualification, paragraph of emphasis or explanatory statement), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Canadian Borrower as of the dates and for the periods specified in accordance with GAAP, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Funding Agent, of the financial condition and results of operations of Canadian Borrower for such fiscal year, as compared to amounts for the previous fiscal year (it being understood that the information required by clauses (i) and (ii) of this Section 5.01(a) may be furnished in the form of a Form 10-K (so long as the financial statements, narrative report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of the Canadian Borrower and its Subsidiaries separating out the results by region;

(b) Quarterly Reports. As soon as available and in any event within the earlier of (i) forty-five (45) days and (ii) such shorter period as may be required by the Securities and Exchange Commission, after the end of each of the first three fiscal quarters of each fiscal year, beginning with the fiscal quarter ending June 30, 2007, (i) the consolidated balance sheet of Canadian Borrower as of the end of such fiscal quarter and related consolidated statements of income and cash flows for such fiscal quarter and for the then elapsed portion of the fiscal

year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, and notes thereto, all prepared in accordance with Regulation S-X under the Securities Act and accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Canadian Borrower as of the date and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a) of this Section, except as otherwise disclosed therein and subject to the absence of footnote disclosures and to normal year-end audit adjustments, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Funding Agent, of the financial condition and results of operations for such fiscal quarter and the then elapsed portion of the fiscal year, as compared to the comparable periods in the previous fiscal year (it being understood that the information required by clauses (i) and (ii) of this Section 5.01(b) may be furnished in the form of a Form 10-Q (so long as the financial statements, management report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of the Canadian Borrower and its Subsidiaries separating out the results by region;

(c) Monthly Reports. At any time after the occurrence of a Covenant Trigger Event and prior to the subsequent occurrence of a Covenant Recovery Event, within thirty (30) days after the end of each of the first two months of each fiscal quarter, (i) the consolidated balance sheet of the Canadian Borrower as of the end of such month and the related consolidated statements of income and cash flows of the Canadian Borrower for each such month and for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, cash flows of the Canadian Borrower as of the date and for the periods specified, subject to normal quarterly adjustments and year end audit adjustments and (ii) a management report in a form reasonably satisfactory to the Funding Agent setting forth statement of income items and Consolidated EBITDA of the Canadian Borrower for such month and for the then elapsed portion of the fiscal year, showing variance, by dollar amount and percentage, from amounts for the comparable periods in the previous fiscal year;

(d) Financial Officer's Certificate. (i) Concurrently with any delivery of financial statements under Section 5.01(a) or (b), beginning with the fiscal quarter ending June 30, 2007, a Compliance Certificate (A) certifying that no Default has occurred or, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (B) setting forth computations in reasonable detail satisfactory to the Funding Agent (including a breakdown of such computations on a quarterly basis) demonstrating compliance with the covenants contained in Section 6.10 (including a calculation of Consolidated Fixed Charge Coverage Ratio, whether or not a Covenant Trigger Event has occurred) and (C) showing a reconciliation of Consolidated EBITDA to the net income set forth on the statement of income, such reconciliation to be on a quarterly basis; and (ii) concurrently with any delivery of financial statements under Section 5.01(a) above, to the extent permitted under applicable accounting guidelines, a report of the accounting firm opining on or certifying such financial statements stating that in the course of

its regular audit of the financial statements of Canadian Borrower and its Subsidiaries, such accounting firm obtained no knowledge that any Default has occurred, or if any Default has occurred, specifying the nature and extent thereof;

(e) Officer's Certificate Regarding Organizational Chart and Perfection of Collateral. Concurrently with any delivery of financial statements under Section 5.01(a), a certificate of a Responsible Officer of the Administrative Borrower attaching an accurate organizational chart (or confirming that there has been no change in organizational structure) and otherwise setting forth the information required pursuant to the Perfection Certificate Supplement or confirming that there has been no change in such information since the date of the Perfection Certificate or latest Perfection Certificate Supplement;

(f) Public Reports. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, with any national U.S. or non-U.S. securities regulatory authority or securities exchange or with the National Association of Securities Dealers, Inc., or distributed to holders of its publicly held Indebtedness or securities pursuant to the terms of the documentation governing such Indebtedness or securities (or any trustee, agent or other representative therefor), as the case may be; provided that documents required to be delivered pursuant to this clause (f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Canadian Borrower posts such documents, or provides a link thereto on Canadian Borrower's website (or other location specified by the Canadian Borrower) on the Internet; or (ii) on which such documents are posted on Canadian Borrower's behalf on the Platform; provided that: (i) upon written request by the Funding Agent, Canadian Borrower shall deliver paper copies of such documents to the Funding Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Funding Agent and (ii) Canadian Borrower shall notify (which may be by facsimile or electronic mail) the Funding Agent of the posting of any such documents and provide to the Funding Agent by electronic mail electronic versions (*i.e.*, soft copies) of such documents; provided, further, that notwithstanding anything contained herein, in every instance Canadian Borrower shall be required to provide paper copies of the certificates required by clauses (d) and (e) of this Section 5.01 to the Funding Agent;

(g) Management Letters. Promptly after the receipt thereof by any Company, a copy of any "management letter", exception report or other similar letter or report received by any such person from its certified public accountants and the management's responses thereto;

(h) Projections. Within sixty (60) days of the end of each fiscal year, a copy of the annual projections for Canadian Borrower (including balance sheets, statements of income and sources and uses of cash, for (i) each quarter of such fiscal year prepared in detail and (ii) each fiscal year thereafter, through and including the fiscal year in which the Final Maturity Date occurs, prepared in summary form, in each case, of the Canadian Borrower on a consolidated basis, with appropriate presentation and discussion of the principal assumptions upon which such forecasts are based, accompanied by the statement of a Financial Officer of the Canadian Borrower to the effect that such assumptions are believed to be reasonable;

(i) Labor Relations. Promptly after becoming aware of the same, written notice of (a) any labor dispute to which any Loan Party or any of its Subsidiaries is or is expected to become a party, including any strikes, lockouts or other labor disputes relating to any of such person's plants and other facilities, which could reasonably be expected to result in a Material Adverse Effect, (b) any Worker Adjustment and Retraining Notification Act or related liability incurred with respect to the closing of any plant or other facility of any such person and (c) any material liability under Requirements of Law similar to the Worker Adjustment and Retraining Notification Act or otherwise arising out of plant closings;

(j) Borrowing Base. Promptly, and in any event within fifteen (15) days after (i) the Closing Date, and (ii) thereafter, the end of each calendar month (or, if such day is not a Business Day, the next succeeding Business Day) (or more frequently as specified in Section 9.03(a)), provide copies of Borrowing Base Certificates, certified by a Responsible Officer of the Administrative Borrower and otherwise as specified in Section 9.03(a);

(k) Asset Sales. At least ten (10) days prior to an Asset Sale, the Net Cash Proceeds of which (or the Dollar Equivalent thereof) are anticipated to exceed $20,000,000, written notice (a) describing such Asset Sale or the nature and material terms and conditions of such transaction and (b) stating the estimated Net Cash Proceeds anticipated to be received by any Loan Party or any of its Subsidiaries;

(l) Other Information. Promptly, from time to time, such other information regarding the operations, properties, business affairs and condition (financial or otherwise) of any Company, or compliance with the terms of any Loan Document, or matters regarding the Collateral (beyond the requirements contained in Section 9.03) as the Funding Agent or any Lender may reasonably request.

SECTION 5.02 Litigation and Other Notices. Furnish to the Funding Agent written notice of the following promptly (and, in any event, within three (3) Business Days after acquiring knowledge thereof):

(a) any Default or Event of Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority, (i) against any Borrower or other Company that in the reasonable judgment of the Borrowers could reasonably be expected to result in a Material Adverse Effect if adversely determined or (ii) with respect to any Loan Document;

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(d) the occurrence of a Casualty Event involving a Dollar Equivalent amount in excess of $20 million;

(e) any dispute or contest with regard to any Lien that could reasonably be expected to result in forfeiture of Revolving Credit Priority Collateral having a Dollar Equivalent fair market value in excess of $1 million;

(f) the incurrence of any Lien on Revolving Credit Priority Collateral arising out of or in connection with any Priority Payable for amounts past due and owing by a Borrower or Borrowing Base Guarantor, or for an accrued amount for which a Borrower or Borrowing Base Guarantor then has an obligation to remit to a Governmental Authority or other Person pursuant to a Requirement of Law and having a Dollar Equivalent value in excess of $1 million; and

(g) (i) the incurrence of any Lien (other than Permitted Liens) on the Collateral, or claim asserted against any of the Collateral or (ii) the occurrence of any other event which could reasonably be expected to affect the value of the Collateral, in each case which could reasonably be expected to be material with regard to (x) the Revolving Credit Priority Collateral, taken as a whole, or (y) the Term Loan Priority Collateral, taken as a whole.

SECTION 5.03 Existence; Businesses and Properties.

(a) Do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence, rights and franchises necessary or desirable in the normal conduct of its business, except (i) other than with respect to a Borrower's or Borrowing Base Guarantor's existence, to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect or (ii) pursuant to a transaction permitted by Section 6.05 or Section 6.06.

(b) Do or cause to be done all things necessary to obtain, maintain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, privileges, franchises, approvals, authorizations, patents, copyrights, trademarks, service marks and trade names used, useful, or necessary to the conduct of its business, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; do or cause to be done all things necessary to preserve its business and the goodwill and business of the customers, advertisers, suppliers and others having business relations with each Loan Party or any of its Subsidiaries, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable Requirements of Law (including any and all zoning, building, Environmental Law, ordinance, code or approval or any building permits or any restrictions of record or agreements affecting the Real Property), contractual obligations, and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain, preserve and protect all of its property and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.04 Insurance.

(a) Generally. Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Mortgaged Properties and other properties material to the business of the Companies against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an "all risk" basis (subject to usual and customary exclusions), (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance and flood insurance, and (v) worker's compensation insurance and such other insurance as may be required by any Requirement of Law; provided that with respect to physical hazard insurance, neither the Collateral Agent nor the applicable Company shall agree at any time after the occurrence of a Cash Dominion Trigger Event and prior to the subsequent occurrence of a Cash Dominion Recovery Event to the adjustment of any claim thereunder with regard to Inventory having a Dollar Equivalent value in excess of $20 million without the consent of the other (such consent not to be unreasonably withheld or delayed); provided, further, that no consent of any Company shall be required during an Event of Default.

(b) Requirements of Insurance. All such property and liability insurance maintained by the Loan Parties shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as mortgagee or loss payee, as applicable (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance), and (iii) if reasonably requested by the Collateral Agent, include a breach of warranty clause.

(c) Flood Insurance. Except to the extent already obtained in accordance with clause (iv) of Section 5.04(a), with respect to each Mortgaged Property, obtain flood insurance in such total amount as the Administrative Agent may from time to time require, if at any time the area in which any improvements located on any Mortgaged Property is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and such insurance is required to be obtained pursuant to the requirements of the National Flood Insurance Act of 1968, as amended from time to time, or the Flood Disaster Protection Act of 1973, as amended from time to time.

(d) Broker's Report. As soon as practicable and in any event within ninety (90) days after the end of each fiscal year, deliver to the Funding Agent and the Collateral Agent (i) a report of a reputable insurance broker with respect to the insurance maintained pursuant to clauses (i)-(iv) of Section 5.04(a) in form and substance satisfactory to the Funding Agent and the Collateral Agent (together with such additional reports as the Funding Agent or the Collateral Agent may reasonably request), and (ii) such broker's statement that all premiums then due and payable with respect to the coverage maintained pursuant to clauses (i)-(iv) of

Section 5.04(a) have been paid and confirming, with respect to any property, physical hazard or liability insurance maintained by a Loan Party, that the Collateral Agent has been named as loss payee or additional insured, as applicable.

(e) Mortgaged Properties. Each Loan Party shall comply in all material respects with all Insurance Requirements in respect of each Mortgaged Property; provided, however, that each Loan Party may, at its own expense and after written notice to the Funding Agent, (i) contest the applicability or enforceability of any such Insurance Requirements by appropriate legal proceedings, the prosecution of which does not constitute a basis for cancellation or revocation of any insurance coverage required under this Section 5.04 or (ii) cause the Insurance Policy containing any such Insurance Requirement to be replaced by a new policy complying with the provisions of this Section 5.04.

SECTION 5.05 Payment of Taxes.

(a) Payment of Taxes. Pay and discharge promptly when due all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien other than a Permitted Lien upon such properties or any part thereof; provided that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as (x)(i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP (or other applicable accounting rules), and (ii) such contest operates to suspend collection of the contested obligation, Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien, and (y) the failure to pay could not reasonably be expected to result in a Material Adverse Effect.

(b) Filing of Returns. Timely file all material Tax Returns required to be filed by it.

SECTION 5.06 Employee Benefits.

(a) Comply with the applicable provisions of ERISA and the Code and any Requirements of Law applicable to any Foreign Plan or Compensation Plan, except where any non-compliance could not reasonably be expected to result in a Material Adverse Effect.

(b) Furnish to the Funding Agent (x) as soon as possible after, and in any event within five (5) Business Days after any Responsible Officer of any Company or any ERISA Affiliates of any Company knows that, any ERISA Event has occurred, a statement of a Financial Officer of Administrative Borrower setting forth details as to such ERISA Event and the action, if any, that the Companies propose to take with respect thereto, and (y) upon request by the Funding Agent, copies of such other documents or governmental reports or filings relating to any Plan (or Foreign Plan, or other employee benefit plan sponsored or contributed to by any Company) as the Funding Agent shall reasonably request.

(c) (i) Ensure that the Novelis U.K. Pension Plan is funded in accordance with the agreed schedule of contributions dated May 16, 2007, and that no action or omission is taken by any Company in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect. (ii) Except for any existing defined benefit pension schemes as specified on Schedule 3.17 ensure that no Company is or has been at any time an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or "connected" with or an "associate" of (as those terms are defined in Sections 39 or 43 of the Pensions Act 2004) such an employer. (iii) Deliver to the Funding Agent upon request as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes), actuarial reports in relation to all pension schemes mentioned in clause (i) above. (iv) Promptly notify the Funding Agent of any material change in the agreed rate of contributions to any pension schemes mentioned in clause (i) above, (v) Promptly notify the Funding Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to any member of the Group. (vi) Promptly notify the Funding Agent if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator.

(d) Ensure that all Foreign Plans (except the Novelis U.K. Pension Plan) and Compensation Plans that are required to be funded are funded and contributed to in accordance with their terms to the extent of all Requirements of Law.

SECTION 5.07 Maintaining Records; Access to Properties and Inspections; Annual Meetings.

(a) Keep proper books of record and account in which full, true and correct entries in conformity in all material respects with GAAP (or other applicable accounting standards) and all Requirements of Law of all financial transactions and the assets and business of each Company and its Subsidiaries are made of all dealings and transactions in relation to its business and activities, including, without limitation, proper records of intercompany transactions) with full, true and correct entries reflecting all payments received and paid (including, without limitation, funds received by or for the account of any Loan Party from deposit accounts of the other Companies). Each Company will permit any representatives designated by the Funding Agent (who may be accompanied by any Agent or Lender) to visit and inspect the financial records and the property of such Company (at reasonable intervals, during normal business hours and within five Business Days after written notification of the same to Administrative Borrower, except that, during the continuance of an Event of Default, none of such restrictions shall be applicable) and to make extracts from and copies of such financial records, and permit any representatives designated by the Funding Agent (who may be accompanied by any Agent or Lender) to discuss the affairs, finances, accounts and condition of any Company with the officers and employees thereof and advisors therefor (including independent accountants).

(b) Within 150 days after the end of each fiscal year of the Companies, at the request of the Funding Agent or Required Lenders, hold a meeting (at a mutually agreeable location, venue and time or, at the option of the Funding Agent, by conference call, the costs

of such venue or call to be paid by Borrowers) with all Lenders who choose to attend such meeting, at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of the Companies and the budgets presented for the current fiscal year of the Companies.

SECTION 5.08 **Use of Proceeds**. Use the proceeds of the Loans only for the purposes set forth in Section 3.12 and request the issuance of Letters of Credit only for the purposes set forth in the definition of Commercial Letter of Credit or Standby Letter of Credit, as the case may be.

SECTION 5.09 **Compliance with Environmental Laws; Environmental Reports**.

(a) Comply, and cause all lessees and other persons occupying Real Property owned, operated or leased by any Company to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and Real Property; obtain and renew all material Environmental Permits applicable to its operations and Real Property; and conduct all Responses required by, and in accordance with, Environmental Laws, in each case, to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect; provided that no Company shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP or other applicable accounting standards.

(b) If a Default caused by reason of a breach of Section 3.18 or Section 5.09(a) shall have occurred and be continuing for more than twenty (20) Business Days without the Companies commencing activities reasonably likely to cure such Default in accordance with Environmental Laws, at the written request of the Funding Agent or the Required Lenders through the Funding Agent, provide to the Lenders as soon as practicable after such request, at the expense of Borrowers, an environmental assessment report regarding the matters which are the subject of such Default, including, where appropriate, soil and/or groundwater sampling, prepared by an environmental consulting firm and, in form and substance, reasonably acceptable to the Funding Agent and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or Response to address them.

SECTION 5.10 **Interest Rate Protection**. From and after the thirtieth (30th) day after the Closing Date until the Final Maturity Date, maintain fixed rate Indebtedness, or Hedging Agreements with terms and conditions acceptable to the Funding Agent, that together result in at least 45% of the aggregate principal amount of Holdings' Consolidated Indebtedness being effectively subject to a fixed or maximum interest rate.

SECTION 5.11 **Additional Collateral; Additional Guarantors**.

(a) Subject to the terms of the Intercreditor Agreement and this Section 5.11, with respect to any property acquired after the Closing Date by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, promptly (and in any event within thirty (30) days after the acquisition thereof) (i) execute and deliver to the Funding Agent and the Collateral Agent such amendments or supplements to the

relevant Security Documents or such other documents as the Funding Agent or the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Funding Agent. Borrowers shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Funding Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents against such after-acquired properties.

(b) With respect to any person that becomes a Subsidiary after the Closing Date (other than an Excluded Collateral Subsidiary), or any Subsidiary that was an Excluded Collateral Subsidiary but, as of the end of the most recently ended fiscal quarter, has ceased to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d), promptly (and in any event within thirty (30) days after such person becomes a Subsidiary or ceases to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d)) (i) pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of such Subsidiary owned by a Loan Party, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Loan Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party and (ii) cause any such Subsidiary that is a Wholly Owned Subsidiary, in each case to the extent not prohibited by applicable Requirements of Law, (A) to execute a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor (or, in the case of a Subsidiary organized under the laws of the United States or any state thereof or the District of Columbia, a U.S. Borrower) and joinder agreements to the applicable Security Documents (in each case, substantially in the form annexed thereto or in such other form as may be reasonably satisfactory to the Funding Agent) or, in the case of a Foreign Subsidiary, execute such other Security Documents (or joinder agreements) to the extent possible under and compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Funding Agent, and (B) to take all actions necessary or advisable in the opinion of the Funding Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Funding Agent or the Collateral Agent. Notwithstanding the foregoing, (1) clause (i) of this paragraph (b) shall not apply to the Equity Interests of (x) any Company listed on Schedule 5.11(b) to the extent any applicable Requirement of Law continues to prohibit the pledging of its Equity Interests to secure the Secured Obligations and (y) any Joint Venture Subsidiary, to the extent the terms of any applicable joint venture, stockholders, partnership, limited liability company or similar agreement prohibits or conditions the pledging of its Equity Interests to secure the Secured Obligations and (2) clause (ii) of this paragraph (b) shall not apply to any Company listed on

Schedule 5.11(b) to the extent any applicable Requirement of Law prohibits it from becoming a Loan Party.

(c) Subject to the terms of the Intercreditor Agreement, promptly grant to the Collateral Agent, within sixty (60) days of the acquisition thereof, a security interest in and Mortgage on (i) each Real Property owned in fee by such Loan Party as is acquired by such Loan Party after the Closing Date and that, together with any improvements thereon, individually has a fair market value the Dollar Equivalent of which is at least $5 million, and (ii) unless the Collateral Agent otherwise consents, and subject to obtaining any consent required from the applicable landlord and any applicable mortgagee (each of which the Loan Parties agree to use commercially reasonable efforts to obtain), each leased Real Property of such Loan Party which lease individually has a fair market value the Dollar Equivalent of which is at least $5 million, in each case, as additional security for the Secured Obligations (unless the subject property is already mortgaged to a third party to the extent permitted by Section 6.02). Subject to the terms of the Intercreditor Agreement, such Mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Funding Agent and the Collateral Agent and shall constitute valid, perfected and enforceable First Priority Liens subject only to Permitted Liens. Subject to the terms of the Intercreditor Agreement, the Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the First Priority Liens in favor of the Collateral Agent required to be granted pursuant to the Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full. Such Loan Party shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Funding Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of any existing Mortgage or new Mortgage against such after-acquired Real Property (including a Title Policy (or title opinion satisfactory to the Collateral Agent), a Survey (if applicable in the respective jurisdiction), and a local counsel opinion (in form and substance reasonably satisfactory to the Funding Agent and the Collateral Agent) in respect of such Mortgage). For purposes of this Section 5.11(c) Real Property owned by a Company that becomes a Loan Party following the Closing Date in accordance with the terms of this Agreement shall be deemed to have been acquired on the later of (x) the date of acquisition of such Real Property and (y) the date such Company becomes a Loan Party.

(d) If, at any time and from time to time after the Closing Date, Subsidiaries that are not Loan Parties because they are Excluded Collateral Subsidiaries comprise in the aggregate more than 1% of the consolidated total assets of Canadian Borrower and its Subsidiaries as of the end of the most recently ended fiscal quarter or more than 1% of Consolidated EBITDA of Canadian Borrower and its Subsidiaries as of the end of the most recently ended fiscal quarter, then the Loan Parties shall, not later than 45 days after the date by which financial statements for such fiscal quarter are required to be delivered pursuant to this Agreement, cause one or more of such Subsidiaries to become Loan Parties (notwithstanding that such Subsidiaries are, individually, Excluded Collateral Subsidiaries) such that the foregoing condition ceases to be true.

SECTION 5.12 Security Interests; Further Assurances. Subject to the terms of the Intercreditor Agreement, promptly, upon the reasonable request of the Funding Agent or the

Collateral Agent, at Borrowers' expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Funding Agent or the Collateral Agent reasonably necessary or desirable for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or use commercially reasonable efforts to obtain any consents or waivers as may be reasonably required in connection therewith. Deliver or cause to be delivered (using commercially reasonable efforts with respect to delivery of items from Persons who are not in the control of any Loan Party) to the Funding Agent and the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Funding Agent and the Collateral Agent as the Funding Agent and the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Funding Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Loan Document that requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Funding Agent, the Collateral Agent or such Lender may reasonably require in connection therewith. If the Funding Agent, the Collateral Agent or the Required Lenders determine that they are required by a Requirement of Law to have appraisals prepared in respect of the Real Property of any Loan Party constituting Collateral, Borrowers shall provide to the Funding Agent appraisals that satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA (or other applicable requirements) and are otherwise in form satisfactory to the Funding Agent and the Collateral Agent.

SECTION 5.13 Information Regarding Collateral. Not effect any change (i) in any Loan Party's legal name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility) other than changes in location to a property identified on Schedule 3.24, another property location previously identified on a Perfection Certificate Supplement or Borrowing Base Certificate, as to which the steps required by clause (B) below have been completed or to a Mortgaged Property or a leased property subject to a Landlord Access Agreement (it being agreed that this clause (ii) shall not apply to Inventory in transit from a supplier or vendor to a permitted location or between permitted locations or Inventory in transit to a customer, nor shall it prohibit the Loan Parties from maintaining Inventory having Dollar Equivalent fair market value not in excess of $10,000,000 located at locations not identified on Schedule 3.24 or a Perfection Certificate Supplement or a Borrowing Base Certificate), (iii) in any Loan Party's identity or organizational structure, (iv) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (v) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Collateral Agent and the Funding Agent not less than ten (10) Business Days' prior written notice (in the form of an Officers' Certificate), or such lesser notice period agreed to by the Collateral Agent, of its intention so to do, clearly describing such change and providing such other information in

connection therewith as the Collateral Agent or the Funding Agent may reasonably request and (B) it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Loan Party agrees to promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence. The Loan Parties shall not permit more than $10 million in the aggregate of their Inventory to be located at any location not listed on Schedule 3.24 (other than Inventory in transit), as updated from time to time in any Perfection Certificate Supplement or Borrowing Base Certificate. For the purposes of the Regulation, (i) no U.K. Loan Party shall change its centre of main interest (as that term is used in Article 3(1) of the Regulation) from England and Wales, (ii) nor shall any Irish Guarantor change its centre of main interest from Ireland, nor shall any Irish Guarantor have an "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, (iii) nor shall nor shall any Swiss Loan Party change its centre of main interest from Switzerland, nor shall any Swiss Loan Party have an "establishment" in any other jurisdiction, (iv) nor shall German Seller change its centre of main interest from Germany.

SECTION 5.14 Affirmative Covenants with Respect to Leases. With respect to each Lease to which a Loan Party is party as landlord or lessor, the respective Loan Party shall perform all the obligations imposed upon the landlord under such Lease and enforce all of the tenant's obligations thereunder, except where the failure to so perform or enforce could not reasonably be expected to result in a Property Material Adverse Effect.

SECTION 5.15 Secured Obligations. Timely pay and perform all of its Secured Obligations.

SECTION 5.16 Post-Closing Covenants. Execute and deliver the documents and complete the tasks and take the other actions set forth on Schedule 5.16, in each case within the time limits specified on such Schedule.

ARTICLE VI.

NEGATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full and all Letters of Credit have been canceled or have expired or been fully cash collateralized and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders (and such other Lenders whose consent may be required under Section 11.02) shall otherwise consent in writing, no Loan Party will, nor will they cause or permit any Subsidiaries to:

SECTION 6.01 Indebtedness. Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except

(a) Indebtedness incurred under this Agreement and the other Loan Documents (including obligations under Treasury Services Agreements with Secured Parties);

(b) (i) Indebtedness outstanding on the Closing Date and listed on Schedule 6.01(b), and Permitted Refinancings thereof, (ii) Indebtedness of Loan Parties under the Term Loan Documents and Permitted Term Loan Facility Refinancings thereof, (iii) Indebtedness of Loan Parties and other persons referenced on Schedule 6.01(b) under the Senior Note Documents, and Indebtedness under Permitted Refinancings thereof, and (iv) the Subordinated Debt Loan and Permitted Refinancings thereof;

(c) Indebtedness of any Company under Hedging Agreements (including Contingent Obligations with respect thereto); provided that if such Hedging Obligations relate to interest rates, (i) such Hedging Agreements relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Agreements at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Agreements relate;

(d) Indebtedness permitted by Section 6.04(i);

(e) Indebtedness of any Securitization Subsidiary under any Securitization Facility (i) that is without recourse to any Company (other than such Securitization Subsidiary) or any of their respective assets (other than pursuant to representations, warranties, covenants and indemnities customary for such transactions), (ii) the payment of principal and interest in respect of which is not guaranteed by any Company, (iii) in respect of which the governing documentation is in form and substance reasonably satisfactory to the Funding Agent, and (iv) that is on customary terms and conditions; provided that the aggregate outstanding principal amount of the Indebtedness of all Securitization Subsidiaries under all Securitization Facilities at any time outstanding shall not exceed $300 million less the aggregate amount of Indebtedness then outstanding under Section 6.01(m) less the aggregate book value at the time of determination of the then outstanding Accounts subject to a Permitted Factoring Facility at such time;

(f) Indebtedness in respect of Purchase Money Obligations and Capital Lease Obligations, and Permitted Refinancings thereof (other than refinancings funded with intercompany advances), in an aggregate amount not to exceed $200 million at any time outstanding;

(g) Sale and Leaseback Transactions permitted under Section 6.03;

(h) Indebtedness in respect of bid, performance or surety bonds, workers' compensation claims, self-insurance obligations, financing of insurance premiums, and bankers acceptances issued for the account of any Company, in each case, incurred in the ordinary course of business (including guarantees or obligations of any Company with respect to letters of credit supporting such bid, performance or surety bonds, workers' compensation claims, self-insurance obligations and bankers acceptances) (in each case other than Indebtedness for borrowed money);

(i) Contingent Obligations (i) of any Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Loan Party and relating to Indebtedness of a Loan Party under Section 6.01(f), (g), (h), (j), (l), (n) and (r), (ii) of any Loan Party in respect of Indebtedness of Subsidiaries in an aggregate amount not exceeding $75 million at any one time outstanding less all amounts paid with regard to Contingent Obligations permitted pursuant to Section 6.04(a), and (iii) of any Company that is not a Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Company under this Section 6.01;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five (5) Business Days of incurrence;

(k) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(l) Unsecured Indebtedness not otherwise permitted under this Section 6.01 in an aggregate principal amount not to exceed $200 million at any time outstanding; provided that not more than an aggregate amount of $100 million of such Indebtedness at any time outstanding shall have a maturity or provide for scheduled amortization of principal prior to the 180th day following the Final Maturity Date;

(m) Indebtedness consisting of working capital facilities, lines of credit or cash management arrangements for Excluded Subsidiaries and Contingent Obligations of Excluded Subsidiaries in respect thereof; provided that (i) the aggregate principal amount of such Indebtedness incurred by NKL after the Closing Date shall not exceed $100 million at any time outstanding and (ii) the aggregate principal amount of such Indebtedness incurred by all other Excluded Subsidiaries after the Closing Date shall not exceed an aggregate of $100 million at any time outstanding;

(n) Indebtedness in respect of indemnification obligations or obligations in respect of purchase price adjustments or similar obligations incurred or assumed by the Loan Parties and their Subsidiaries in connection with an Asset Sale or sale of Equity Interests otherwise permitted under this Agreement;

(o) unsecured guaranties in the ordinary course of business of any person of the obligations of suppliers, customers or licensees;

(p) Indebtedness of NKL arising under letters of credit issued in the ordinary course of business;

(q) (i) Indebtedness of any person existing at the time such person is acquired in connection with a Permitted Acquisition or any other Investment permitted under Section 6.04; provided that such Indebtedness is not incurred in connection with or in contemplation of such Permitted Acquisition or other Investment and is not secured by Accounts or Inventory of any Company organized in a Principal Jurisdiction or the proceeds thereof, and at the time of such Permitted Acquisition or other Investment, no Event of Default shall have occurred and be continuing, and (ii) Permitted Refinancings of such Indebtedness in an aggregate amount, for

all such Indebtedness permitted under this clause (q) not to exceed $50 million at any time outstanding;

(r) Indebtedness in respect of treasury, depositary and cash management services or automated clearinghouse transfer of funds (including the European Cash Pooling Arrangements and other pooled account arrangements and netting arrangements) in the ordinary course of business, in each case, arising under the terms of customary agreements with any bank (other than Treasury Services Agreements with Secured Parties) at which such Subsidiary maintains an overdraft, pooled account or other similar facility or arrangement; and

(s) Permitted Holdings Indebtedness.

SECTION 6.02 Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the "**Permitted Liens**"):

(a) (i) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and (ii) Liens for taxes, assessments or governmental charges or levies, which are due and payable and are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(b) Liens in respect of property of any Company imposed by Requirements of Law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, and (i) which do not in the aggregate materially detract from the value of the property of the Companies, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Companies, taken as a whole, and (ii) which, if they secure obligations that are then due and unpaid for more than 30 days, are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(c) any Lien in existence on the Closing Date and set forth on Schedule 6.02(c) that does not attach to the Accounts and Inventory of any Borrower or Borrowing Base Guarantor and any Lien granted as a replacement, renewal or substitute therefor; provided that any such replacement, renewal or substitute Lien (i) does not secure an aggregate amount of Indebtedness, if any, greater than that secured on the Closing Date (including undrawn commitments thereunder in effect on the Closing Date, accrued and unpaid interest thereon and fees and premiums payable in connection with a Permitted Refinancing of the Indebtedness secured by such Lien) and (ii) does not encumber any property other than the property subject thereto on the Closing Date (any such Lien, an "**Existing Lien**");

(d) easements, rights-of-way, restrictions (including zoning restrictions), reservations (including pursuant to any original grant of any Real Property from the applicable Governmental Authority), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies or irregularities on or with respect to any

Real Property, in each case whether now or hereafter in existence, not (i) securing Indebtedness for borrowed money or (ii) individually or in the aggregate materially interfering with the ordinary conduct of the business of the Companies at such Real Property;

(e) Liens arising out of judgments, attachments or awards not resulting in an Event of Default that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(f) Liens (other than any Lien imposed by ERISA) (x) imposed by Requirements of Law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; provided that (i) with respect to clauses (x), (y) and (z) of this paragraph (f), such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been established on the books of the appropriate Company in accordance with GAAP, and (ii) to the extent such Liens are not imposed by Requirements of Law, such Liens shall in no event encumber any property other than cash and Cash Equivalents and, with respect to clause (y), property relating to the performance of obligations secured by such bonds or instruments;

(g) Leases, subleases or licenses of the properties of any Company (other than Accounts and Inventory) granted to other persons which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(h) Liens arising out of conditional sale, hire purchase, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business and which do not attach to Accounts or Inventory that is included in the calculation of the Borrowing Base, except to the extent explicitly permitted by the definition of "Eligible Accounts" or "Eligible Inventory," as applicable;

(i) Liens securing Indebtedness incurred pursuant to Section 6.01(f) or Section 6.01(g); provided that any such Liens do not attach to Accounts or Inventory and attach only to the property being financed pursuant to such Indebtedness and any proceeds of such property and do not encumber any other property of any Company;

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to treasury, depositary and cash management services or automated clearinghouse transfer of

funds (including pooled account arrangements and netting arrangements); provided that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any other Indebtedness;

(k) Liens granted (i) pursuant to the Loan Documents to secure the Secured Obligations or (ii) pursuant to the Term Loan Documents to secure the "Secured Obligations" (as defined in the Term Loan Credit Agreement) and any Permitted Term Loan Facility Refinancings thereof;

(l) licenses of Intellectual Property granted by any Company in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Companies;

(m) the filing of UCC or PPSA financing statements (or the equivalent in other jurisdictions) solely as a precautionary measure in connection with operating leases or consignment of goods;

(n) Liens on property of Excluded Subsidiaries securing Indebtedness of Excluded Subsidiaries permitted by Section 6.01(m) and (p);

(o) Liens securing the refinancing of any Indebtedness secured by any Lien permitted by clauses (c), (i) or (r) of this Section 6.02 or this clause (o) without any change in the assets subject to such Lien and to the extent such refinanced Indebtedness is permitted by Section 6.01;

(p) to the extent constituting a Lien, the existence of the "equal and ratable" clause in the Senior Note Documents (and any Permitted Refinancings thereof) (but not any security interests granted pursuant thereto);

(q) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(r) Liens on assets acquired in a Permitted Acquisition or on property of a person (in each case, other than Accounts or Inventory owned by a Company organized or doing business in a Principal Jurisdiction) existing at the time such person is acquired or merged with or into or amalgamated or consolidated with any Company to the extent permitted hereunder or such assets are acquired (and not created in anticipation or contemplation thereof); provided that (i) such Liens do not extend to property not subject to such Liens at the time of acquisition (other than improvements thereon and proceeds thereof) and are no more favorable to the lienholders than such existing Lien and (ii) the aggregate principal amount of Indebtedness secured by such Liens does not exceed $50 million at any time outstanding;

(s) any encumbrance or restriction (including put and call agreements) solely in respect of the Equity Interests of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, contained in such Joint Venture's or Joint Venture Subsidiary's Organizational Documents or the joint venture agreement or stockholders agreement in respect of such Joint Venture or Joint Venture Subsidiary;

(t) Liens granted in connection with Indebtedness permitted under Section 6.01(e) that are limited in each case to the Securitization Assets transferred or assigned pursuant to the related Securitization Facility;

(u) Liens (which, if the same apply to any Collateral, are junior to the Liens on the Collateral securing the Secured Obligations) not otherwise permitted by clauses (a) through (t) of this Section 6.02 to the extent attaching to properties and assets not constituting Revolving Credit Priority Collateral (as defined in the Intercreditor Agreement) and with an aggregate fair market value not in excess of, and securing liabilities not in excess of, $25 million at any time outstanding;

(v) To the extent constituting Liens, rights under purchase and sale agreements with respect to Equity Interests permitted to be sold in Asset Sales permitted under Section 6.06;

(w) Liens securing obligations owing to the Loan Parties so long as such obligations and Liens, where owing by or on assets of Loan Parties, are subordinated to the Secured Obligations and to the Secured Parties' Liens on the Collateral in a manner satisfactory to the Funding Agent; and

(x) Liens created, arising or securing obligations under the Receivables Purchase Agreement.

provided, however, that notwithstanding any of the foregoing, no consensual Liens (other than Liens permitted under clauses (s) and (v) above, in the case of Securities Collateral, and clause (h) above (to the extent permitted thereby), in the case of Accounts or Inventory) shall be permitted to exist, directly or indirectly, on any Securities Collateral or any Accounts or Inventory of any Borrower, Borrowing Base Guarantor or other Company organized or conducting business in, or having assets located in, a Principal Jurisdiction, other than Liens granted pursuant to the Security Documents or the Term Loan Security Documents.

SECTION 6.03 Sale and Leaseback Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a "**Sale and Leaseback Transaction**") unless (i) the sale of such property is permitted by Section 6.06, (ii) any Liens arising in connection with its use of such property are permitted by Section 6.02 and (iii) after giving effect to such Sale and Leaseback Transaction, (A) in the case of NKL, the aggregate fair market value of all properties covered by Sale and Leaseback Transactions entered into by NKL would not exceed $200 million and (B) in the case of Holdings or any other Subsidiary of Holdings, the aggregate fair market value of all properties covered by Sale and Leaseback Transactions entered into by all such persons would not exceed $100 million.

SECTION 6.04 Investments, Loan and Advances. Directly or indirectly, lend money or credit (by way of guarantee or otherwise) or make advances to, any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other ownership interest in, or make any capital contribution to, any other person, or purchase or

otherwise acquire (in one transaction or a series of transactions) all or substantially all of the property and assets or business of any other person or assets constituting a business unit, line of business or division of any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract (all of the foregoing, collectively, "**Investments**"; it being understood that the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment and when determining the amount of an Investment that remains outstanding, the last paragraph of this Section 6.04 shall apply), except that the following shall be permitted:

(a) Investments consisting of unsecured guaranties of, or other unsecured Contingent Obligations with respect to, operating payments not constituting Indebtedness for borrowed money incurred by Subsidiaries that are not Loan Parties, in the ordinary course of business, that, to the extent paid, shall not exceed an aggregate amount equal to $75 million less the amount of Contingent Obligations by Loan Parties in respect of Companies that are not Loan Parties permitted pursuant to Section 6.01(i)(ii);

(b) Investments outstanding on the Closing Date and identified on Schedule 6.04(b);

(c) the Companies may (i) acquire and hold accounts receivable owing to any of them if created or acquired in the ordinary course of business or in connection with a Permitted Acquisition, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Investments in Securitization Subsidiaries in connection with Securitization Facilities permitted by Section 6.01(e);

(e) the Loan Parties and their Subsidiaries may make loans and advances (including payroll, travel and entertainment related advances) in the ordinary course of business to their respective employees (other than any loans or advances to any director or executive officer (or equivalent thereof) that would be in violation of Section 402 of the Sarbanes-Oxley Act) so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed (when aggregated with loans and advances outstanding pursuant to clause (h) below) $15 million;

(f) any Company may enter into Hedging Agreements to the extent permitted by Section 6.01(c);

(g) Investments made by any Company as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06;

(h) loans and advances to directors, employees and officers of the Loan Parties and their Subsidiaries for *bona fide* business purposes, in aggregate amount not to exceed (when aggregated with loans and advances outstanding pursuant to clause (e) above) $15 million at any time outstanding; provided that no loans in violation of Section 402 of the Sarbanes-Oxley Act shall be permitted hereunder;

(i) Investments (i) by any Company in any other Company outstanding on the Closing Date and Investments made on or about the Closing Date in connection with the Receivables Purchase Agreement, (ii) by any Company in any Unrestricted Grantor, (iii) by any Restricted Grantor in any other Restricted Grantor, (iv) by an Unrestricted Grantor in any Restricted Grantor up to an aggregate amount made after the Closing Date of $50 million in the aggregate at any one time outstanding, and (v) by any Company that is not a Loan Party in any other Company; provided that any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Funding Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents;

(j) Investments in securities or other obligations received upon foreclosure or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of trade creditors or customers or in connection with the settlement of delinquent accounts in the ordinary course of business, and Investments received in good faith in settlement of disputes or litigation;

(k) Investments in Joint Ventures in which the Loan Parties hold at least 50% of the outstanding Equity Interests or Joint Venture Subsidiaries made with the Net Cash Proceeds of Asset Sales made in accordance with Section 6.06(k);

(l) Investments in Norf GmbH for purposes of making Capital Expenditures in an aggregate amount not to exceed $10 million during any Fiscal Year;

(m) Permitted Acquisitions; provided that the Lien on and security interest in such Investment granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable;

(n) so long as the Availability Conditions are satisfied, Investments not otherwise permitted hereby, including other Investments in any Subsidiary of any Loan Party; provided, however, that any Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Funding Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and, pledged by such Loan Party as Collateral pursuant to the Security Documents;

(o) Mergers, amalgamations and consolidations in compliance with Section 6.05; provided that the Lien on and security interest in such Investment granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable;

(p) Investments in respect of European Cash Pooling Arrangements, subject to the limitations set forth in Section 6.07;

(q) Investments consisting of guarantees of Indebtedness referred to in clauses (i) (to the extent such guarantee is in effect on the Closing Date or permitted as part of a Permitted

Refinancing), (ii) and (iii) of Section 6.01(b) and Contingent Obligations permitted by Section 6.01(i); and

(r) other Investments in an aggregate amount not to exceed $50 million at any time outstanding; provided that any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents.

An Investment shall be deemed to be outstanding to the extent not returned in the same form as the original Investment to any Company. The outstanding amount of an Investment shall, in the case of a Contingent Obligation that has been terminated, be reduced to the extent no payment is or was made with respect to such Contingent Obligation upon or prior to the termination of such Contingent Obligation; and the outstanding amount of other Investments shall be reduced by the amount of cash or Cash Equivalents received with respect to such Investment upon the sale or disposition thereof, or constituting a return of capital with respect thereto or, repayment of the principal amount thereof, in the case of a loan or advance. No property acquired by any Borrower or Borrowing Base Guarantor in connection with any Investment permitted under this Section 6.04 shall be permitted to be included in the Borrowing Base until the Collateral Agent has received and approved, in its Permitted Discretion, (A) a collateral audit with respect to such property, conducted by an independent appraisal firm reasonably acceptable to Collateral Agent, (B) all UCC or other search results necessary to confirm the Collateral Agent's Lien on all of such property of such Borrowing Base Guarantor, which Lien is a First Priority Lien with regard to any Revolving Credit Priority Collateral, and (C) such customary certificates (including a solvency certificate), resolutions, financial statements, legal opinions, and other documentation as the Funding Agent may reasonably request (including as required by Sections 5.11 and 5.12).

SECTION 6.05 Mergers, Amalgamations and Consolidations. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger, amalgamation or consolidation (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

(a) Asset Sales in compliance with Section 6.06;

(b) Permitted Acquisitions in compliance with Section 6.04;

(c) (i) any Company may merge, amalgamate or consolidate with or into any Unrestricted Grantor (provided that (A) in the case of any merger, amalgamation or consolidation involving a Borrower, a Borrower is the surviving or resulting person, and in any other case, an Unrestricted Grantor is the surviving or resulting person, (B) no Borrower (other than a U.S. Borrower, so long as there always exists at least one U.S. Borrower) shall merge, amalgamate or consolidate with or into any other Borrower), (C) in the case of any merger, amalgamation or consolidation involving Canadian Borrower, the surviving or resulting Borrower is organized under the laws of Canada or the United States (or any state thereof or the District of Columbia) and (D) in the case of any merger or consolidation involving a U.S. Borrower, the surviving Borrower is organized under the laws of the United States (or any state thereof or the District of Columbia), (ii) any Restricted Grantor may merge, amalgamate or

consolidate with or into any other Restricted Grantor organized under the laws of the same country (or any jurisdiction within such same country) (provided that (A) in the case of any merger, amalgamation or consolidation involving a Borrower, a Borrower is the surviving or resulting person, and in any other case, a Subsidiary Guarantor is the surviving or resulting person and (B) except as expressly provided in clause (i) above with respect to U.S. Borrowers, no Borrower shall merge, amalgamate or consolidate with or into any other Borrower) and (iii) any Company that is not a Loan Party may merge, amalgamate or consolidate with or into any Restricted Grantor (provided that a Borrower is the surviving or resulting person in the case of any merger, amalgamation or consolidation involving a Borrower, and in any other case, a Subsidiary Guarantor is the surviving or resulting person); provided that, in the case of each of the foregoing clauses (i) through (iii), (1) the surviving or resulting person is a Wholly Owned Subsidiary of Holdings, (2) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable and (3) no Default is then continuing or would result therefrom; provided that in the case of any amalgamation or consolidation involving a Loan Party, at the request of the Funding Agent, such Loan Party and each other Loan Party shall confirm its respective Secured Obligations and Liens under the Loan Documents in a manner reasonably satisfactory to the Funding Agent;

(d) any Subsidiary that is not a Loan Party may merge, amalgamate or consolidate with or into any other Subsidiary that is not a Loan Party;

(e) Holdings and the Canadian Borrower may consummate the Permitted Holdings Amalgamation;

(f) any Subsidiary (other than any Borrower or Borrowing Base Guarantor) may dissolve, liquidate or wind up its affairs at any time; provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect; and

(g) any Unrestricted Grantor (other than a Borrower) may dissolve, liquidate or wind-up its affairs (collectively, "**Wind-Up**"), so long as all of its assets are distributed or otherwise transferred to an Unrestricted Grantor organized under the laws of the same jurisdiction as the Unrestricted Grantor Winding-Up its affairs; provided any Borrowing Base Guarantor may only Wind-Up into a Borrower organized under the laws of the same jurisdiction as such Borrowing Base Guarantor; and any Restricted Grantor (other than a Borrower) may Wind-Up so long as all of its assets are distributed or otherwise transferred to a Restricted Grantor or an Unrestricted Grantor organized under the laws of the same jurisdiction as the Restricted Grantor Winding-Up its affairs; provided any Borrowing Base Guarantor may only Wind-Up into a Borrower organized under the laws of the same jurisdiction as such Borrowing Base Guarantor; provided that (1) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of

Section 5.11 or Section 5.12, as applicable and (2) no Default is then continuing or would result therefrom.

To the extent the Required Lenders or such other number of Lenders whose consent is required under Section 11.02, as applicable, waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, and so long as the Lien of the Term Loan Administrative Agent or the Term Loan Collateral Agent pursuant to the Term Loan Documents in such Collateral is also released, such Collateral (unless sold to a Loan Party) shall be sold free and clear of the Liens created by the Security Documents, and so long as Borrowers shall have provided the Agents with such certifications or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.05, and the Agents shall take all actions as the Administrative Borrower reasonably requests in order to effect the foregoing.

SECTION 6.06 Asset Sales. Effect any Asset Sale, or agree to effect any Asset Sale, except that the following shall be permitted:

(a) disposition of used, worn out, obsolete or surplus property by any Company in the ordinary course of business and the abandonment or other disposition of Intellectual Property that is, in the reasonable judgment of Borrowers, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole;

(b) so long as no Default is then continuing or would result therefrom, any other Asset Sale (other than the Equity Interests of any Wholly Owned Subsidiary unless all of the Equity Interests of such Subsidiary then owned by any of the Companies are sold to the purchaser thereof in a sale permitted by this clause (b)) for fair market value, with at least 80% of the consideration received for all such Asset Sales payable in cash upon such sale; provided, however, that with respect to any such Asset Sale pursuant to this clause (b), the aggregate consideration received during any fiscal year for all such Asset Sales shall not exceed $150 million;

(c) leases, subleases or licenses of the properties of any Company in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(d) mergers and consolidations, and liquidations and dissolutions in compliance with Section 6.05;

(e) sales, transfers and other dispositions of Accounts for the fair market value thereof in connection with a Permitted Factoring Facility so long as at any time of determination the aggregate book value of the then outstanding Accounts subject to a Permitted Factoring Facility does not exceed an amount equal to $300 million less the amount of Indebtedness under all outstanding Securitization Facilities at such time less the amount of Indebtedness outstanding under Section 6.01(m) at such time;

(f) the sale or disposition of cash and Cash Equivalents in connection with a transaction otherwise permitted under the terms of this Agreement;

(g) assignments and licenses of intellectual property of any Loan Party and its Subsidiaries in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(h) Asset Sales (other than the Equity Interests of any Subsidiary unless all of the Equity Interests of such Subsidiary then owned by any of the Companies are sold to the purchaser thereof in a sale permitted by this clause (h)) (i) by and among Unrestricted Grantors (other than Holdings), (ii) by and among Restricted Grantors organized under the laws of the same country (or jurisdictions within such same country), (iii) by Restricted Grantors to Unrestricted Grantors so long as the consideration paid by Unrestricted Grantors in each such Asset Sale does not exceed fair market value for such Asset Sale, (iv) by Unrestricted Grantors to Restricted Grantors of property for fair market value, and for aggregate consideration, not in excess of $25 million for all such Asset Sales following the Closing Date, (v) by Companies that are not Loan Parties to Loan Parties so long as the consideration paid by Loan Parties in each such Asset Sale does not exceed (1) the fair market value for such Asset Sale and (2) $25 million for all such Asset Sales following the Closing Date; and (vi) by and among Companies that are not Loan Parties, provided that (A) in the case of any transfer from one Loan Party to another Loan Party, any security interests granted to the Collateral Agent for the benefit of any Secured Parties pursuant to the relevant Security Documents in the assets so transferred shall (1) remain in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or (2) be replaced by security interests granted to the relevant Collateral Agent for the benefit of the relevant Secured Parties pursuant to the relevant Security Documents, which new security interests shall be in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) and (B) no Default is then continuing or would result therefrom;

(i) the Companies may consummate Asset Swaps (other than Asset Swaps constituting all or substantially all of the asset of a Company), so long as (x) each such sale is in an arm's-length transaction and the applicable Company receives at least fair market value consideration (as determined in good faith by such Company), (y) the Collateral Agent shall have a First Priority perfected Lien on the assets acquired pursuant to such Asset Swap at least to the same extent as the assets sold pursuant to such Asset Swap (immediately prior to giving effect thereto) and (z) the aggregate fair market value of all assets sold pursuant to this clause (i) shall not exceed $25 million in the aggregate since the Closing Date; provided that so long as the assets acquired by any Company pursuant to the respective Asset Swap are located in the same country as the assets sold by such Company, such $25 million aggregate cap will not apply to such Asset Swap;

(j) sales, transfers and other dispositions of Receivables and Related Security to a Securitization Subsidiary for the fair market value thereof and all sales, transfers or other dispositions of Securitization Assets by a Securitization Subsidiary under, and pursuant to, a related Securitization Facility permitted under Section 6.01(e);

(k) so long as no Default is then continuing or would result therefrom, the arm's-length sale or disposition for cash of Equity Interests in a Joint Venture Subsidiary for fair market value or the issuance of Equity Interests in a Joint Venture Subsidiary; provided,

however, that the aggregate fair market value of all such Equity Interests sold or otherwise disposed of pursuant to this clause (k) following the Closing Date shall not exceed $300 million; and

(l) issuances of Equity Interests permitted under Section 6.13(b)(i), (ii), (iii), (iv) and (vi).

To the extent the Required Lenders or such other number of Lenders whose consent is required under Section 11.02, as applicable, waive the provisions of this Section 6.06 with respect to the sale of any Collateral or any Collateral is sold as permitted by this Section 6.06, and so long as the Lien of the Term Loan Administrative Agent or the Term Loan Collateral Agent (or any other Term Loan Agents) pursuant to the Term Loan Documents in such Collateral is also released, such Collateral (unless sold to a Loan Party) shall be sold free and clear of the Liens created by the Security Documents, and so long as the Loan Parties shall have provided the Agents such certificates or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.06, the Agents shall take all actions as the Administrative Borrower reasonably requests in order to effect the foregoing.

SECTION 6.07 European Cash Pooling Arrangements.

Amend, vary or waive any term of the European Cash Pooling Arrangements without express written consent of the Funding Agent, or enter into any new pooled account or netting agreement with any Affiliate without express written consent of the Funding Agent. Permit the aggregate amount owed pursuant to the European Cash Pooling Arrangements by all Companies who are not Loan Parties minus the aggregate amount on deposit pursuant to the European Cash Pooling Arrangements from such Persons to exceed $30 million.

SECTION 6.08 Dividends. Authorize, declare or pay, directly or indirectly, any Dividends with respect to any Company, except that the following shall be permitted:

(a) (i) Dividends by any Company to any Loan Party that is a Wholly Owned Subsidiary of Holdings, (ii) Dividends by Holdings payable solely in Qualified Capital Stock and (iii) Dividends by Holdings payable with the proceeds of Permitted Holdings Indebtedness;

(b) (i) Dividends by any Company that is not a Loan Party to any other Company that is not a Loan Party but is a Wholly Owned Subsidiary of Holdings and (ii) cash Dividends by any Company that is not a Loan Party to the holders of its Equity Interests on a pro rata basis;

(c) (A) to the extent actually used by Holdings to pay such franchise taxes, costs and expenses, payments by Borrowers to or on behalf of Holdings in an amount sufficient to pay franchise taxes and other fees solely required to maintain the legal existence of Holdings and (B) payments by Borrowers to or on behalf of Holdings in an amount sufficient to pay out-of-pocket legal, accounting and filing costs and other expenses in the nature of overhead in the ordinary course of business of Holdings, in the case of clauses (A) and (B) in an aggregate amount not to exceed $5 million in any fiscal year;

(d) beginning with the fiscal year of Canadian Borrower commencing in 2009, Canadian Borrower may pay cash Dividends to Holdings the proceeds of which may be utilized by Holdings to pay cash Dividends to the holders of its Equity Interests (or to repay Subordinated Debt Loans) in an amount declared and paid in any fiscal year of Canadian Borrower not to exceed 50% of Consolidated Net Income for the previous fiscal year of Canadian Borrower (beginning with the first complete fiscal year commencing after the Closing Date) (such amount for any such fiscal year, determined after giving effect to clause (ii), the "**CNI Basket**") less the aggregate amount of any repayments or redemptions of Indebtedness under the Senior Note Documents (or any Permitted Refinancings of any of such Indebtedness) made out of the CNI Basket for such fiscal year pursuant to clause (z) of Section 6.11(a); provided that (i) the Dividends described in this clause (d) shall not be permitted if either (A) the Availability Condition is not satisfied or (B) a Default is continuing at the date of declaration or payment thereof or would result therefrom and (ii) Consolidated Net Income shall be calculated for purposes of this clause (d) and for purposes of Section 6.11 without giving effect to non-cash after-tax gains and losses resulting from the mark-to-market of any Hedging Agreement in accordance with the Statement of Financial Accounting Standards No. 133 or non-cash after-tax gains or losses relating to any balance sheet translation in accordance with the Statement of Financial Accounting Standards No. 52 and, in either case, assuming an applicable tax rate equal to 35%; and

(e) to the extent constituting a Dividend, payments permitted by Section 6.09(d) that do not relate to Equity Interests.

SECTION 6.09 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with or for the benefit of any Affiliate of any Company (other than between or among Loan Parties), other than on terms and conditions at least as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends permitted by Section 6.08;

(b) Investments permitted by Section 6.04(d), (e), (h), (i) or (l);

(c) mergers, amalgamations and consolidations permitted by Section 6.05(c), (d), (e), (f) or (g) Asset Sales permitted by Section 6.06(h) and issuances of Equity Interests by Holdings or among Loan Parties in each case to the extent permitted by Section 6.13(b);

(d) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements, in each case approved by the Board of Directors of the Canadian Borrower;

(e) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods and services, in each case in the ordinary course of business and otherwise not prohibited by the Loan Documents;

(f) the existence of, and the performance by any Company of its obligations under the terms of, any limited liability company, limited partnership or other Organizational Document or securityholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party on the Closing Date and which has been disclosed in writing to the Funding Agent as in effect on the Closing Date, and similar agreements that it may enter into thereafter, to the extent not more adverse to the interests of the Lenders in any material respect, when taken as a whole, than any of such documents and agreements as in effect on the Closing Date;

(g) the Transactions as contemplated by the Transaction Documents;

(h) Securitization Facilities permitted under Section 6.01(e) and transactions in connection therewith on a basis no less favorable to the applicable Company as would be obtained in a comparable arm's length transaction with a person not an Affiliate thereof;

(i) cash management netting and pooled account arrangements permitted under Section 6.01(r);

(j) transactions between or among any Companies that are not Loan Parties;

(k) transactions between Loan Parties and Companies that are not Loan Parties that are at least as favorable to each such Loan Party as would reasonably be obtained by such Loan Party in a comparable arm's-length transaction with a person other than an Affiliate; and

(l) transactions contemplated by the Receivables Purchase Agreement;

provided that notwithstanding any of the foregoing or any other provision of this Agreement, all intercompany loans, advances or other extensions of credit made to or by Companies organized in Switzerland shall be on fair market terms.

SECTION 6.10 **Minimum Consolidated Fixed Charge Coverage Ratio**. At any time after the occurrence of a Covenant Trigger Event and prior to the subsequent occurrence of a Covenant Recovery Event, permit the Consolidated Fixed Charge Coverage Ratio, for the most recent Test Period ending upon or immediately prior to such Covenant Trigger Event for which financial statements have been delivered under Section 5.01(a) or (b) (or if a Default has occurred under Section 5.01(a) or (b), are required to have been delivered under Section 5.01(a) or (b)), and any Test Period ending thereafter and prior to the subsequent occurrence of a Covenant Recovery Event, to be less than 1.0 to 1.0.

SECTION 6.11 **Prepayments of Other Indebtedness; Modifications of Organizational Documents and Other Documents, etc.**Directly or indirectly:

(a) (i) Unless the Availability Condition is satisfied, make any voluntary or optional payment of principal on or prepayment on or redemption or acquisition for value of, or complete any mandatory prepayment, redemption or purchase offer in respect of, or otherwise voluntarily or optionally defease or segregate funds with respect to, any Indebtedness under the Senior Note Documents or any Subordinated Indebtedness (including the Subordinated Debt Loan and any Additional Subordinated Debt Loan but excluding any Subordinated

Indebtedness wholly among Loan Parties) (or any Permitted Refinancings of any of such Indebtedness), except (w) the Subordinated Debt Loan may be repaid with the proceeds of Permitted Holdings Indebtedness, (x) with the proceeds of a Permitted Refinancing of such Indebtedness or the proceeds of additional Term Loans and (y) redemptions of the Senior Notes required under the terms of Senior Note Documents pursuant to Section 4.17 of the Senior Note Agreement (as in effect on the Closing Date) as a result of the Hindalco Acquisition; provided that notwithstanding the foregoing, regardless of whether the Availability Condition is satisfied, no redemption or repayment of Indebtedness under the Senior Note Documents (or Permitted Refinancing (other than a refinancing with additional Term Loans) of any such Indebtedness (other than as provided in clause (x) and (y) above) will be permitted until the end of the first complete fiscal year commencing after the Closing Date, and following such fiscal year, beginning in 2009, repayments or redemptions of Indebtedness under the Senior Notes Documents (or any Permitted Refinancing (other than a refinancing with additional Term Loans) of any of such Indebtedness) in an aggregate amount not to exceed the CNI Basket for the previous fiscal year of Canadian Borrower (beginning with the first complete fiscal year commencing after the Closing Date) less the aggregate amount of any cash Dividends paid out of the CNI Basket for such fiscal year pursuant to Section 6.08(d) will be permitted, so long as (x) no Default has occurred and is continuing at the time thereof and (y) the Availability Condition is satisfied at the time thereof;

(ii) make any payment on or with respect to any Subordinated Indebtedness wholly among Loan Parties in violation of the subordination provisions thereof; or

(iii) make any payment (whether, voluntary, mandatory, scheduled or otherwise) on or with respect to any Subordinated Indebtedness (including payments of principal and interest thereon, but excluding the discharge by Novelis AG (as consideration for the purchase of receivables under the Receivables Purchase Agreement) of loans or advances made by Novelis AG to German Seller) if an Event of Default is continuing or would result therefrom;

(b) with respect to any Term Loans under the Term Loan Documents (or any Permitted Term Loan Facility Refinancings of any of such Indebtedness):

(i) Unless the Availability Condition is satisfied, make any voluntary or optional payment of principal on or voluntary prepayment on or voluntary acquisition for value of Indebtedness under the Term Loan Documents (except pursuant to a Permitted Term Loan Facility Refinancing); and

(ii) Unless Excess Availability is at least $90 million after giving effect to the applicable prepayment and all Credit Extensions on such date, make any otherwise mandatory prepayment, redemption or purchase offer under the Term Loan Documents as a result of any (A) change of control, or (B) debt or equity issuance;

(c) amend or modify, or permit the amendment or modification of, any provision of any document governing any Material Indebtedness (other than Indebtedness under the Loan Documents or Term Loan Documents (or any Permitted Term Loan Facility Refinancings thereof) and Indebtedness of NKL permitted under Section 6.01(m) or listed on Schedule 6.01)

in any manner that, taken as a whole, is adverse in any material respect to the interests of the Lenders;

(d) amend or modify, or permit the amendment or modification of, any provision of any document governing any Indebtedness under the Term Loan Documents (or any Permitted Term Loan Facility Refinancings thereof) if such amendment or modification would (i) cause the aggregate principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such amendment or modification, to at any time exceed the Maximum Term Loan Facility Amount plus an amount equal to unpaid accrued interest, premium and make-whole amount, if any, on the Indebtedness being so amended or modified plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such amendment or modification, (ii) cause the "**Applicable Margin**" or similar component of the interest rate or yield provisions applicable to such Indebtedness, after giving effect to such amendment or modification, to be increased from the "**Applicable Margin**" set forth in the Term Loan Documents as of the Closing Date by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate specified in the Term Loan Credit Agreement), (iii) cause such Indebtedness to have a final maturity date earlier than the final maturity date of, or have a Weighted Average Life to Maturity shorter than the Weighted Average Life to Maturity of, such Indebtedness immediately prior to such amendment or modification (excluding the effects of nominal amortization in the amount of no greater than one percent per annum and prepayments of Indebtedness), (iv) result in the persons that are (or are required to be) obligors under such Indebtedness to be different from the persons that are (or are required to be) obligors under such Indebtedness being so amended or modified (unless such persons required to be obligors under such Indebtedness are or are required to be or become obligors under the Loan Documents) or (v) remove (or otherwise amend in a manner materially adverse to the Lenders) any provision thereof that requires, as a condition to the requirement to make a prepayment of principal thereunder, satisfaction of the Availability Conditions hereunder; and provided that prior to the effectiveness of such amendment or modification, a Responsible Officer of the Administrative Borrower shall have delivered an Officers' Certificate to the Funding Agent (together with a reasonably detailed description of the material terms and conditions of such amendment or modification or drafts of the documentation relating thereto) certifying that the Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements;

(e) terminate, amend or modify any of its Organizational Documents (including (x) by the filing or modification of any certificate of designation and (y) any election to treat any Pledged Securities (as defined in the Security Agreement) as a "security" under Section 8-103 of the UCC other than concurrently with the delivery of certificates representing such Pledged Securities to the Collateral Agent) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders' agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments or modifications or such new agreements which are not adverse in any material respect to the interests of the Lenders;

(f) amend or modify, or grant any consents, waivers or approvals with respect to, or permit the amendment or modification of, or granting of any consents, waivers or approvals with respect to, the Receivables Purchase Agreement, without the consent of the Funding Agent; or

(g) amend or modify, or permit the amendment or modification of, any provision of any document governing any Subordinated Debt Loan or Additional Subordinated Debt Loan in any manner except as consented to by the Funding Agent in connection with the Permitted Holdings Amalgamation and except in a manner that is not adverse in any respect to the Lenders and consented to by the Funding Agent or in connection with increasing the Subordinated Debt Loan pursuant to an Additional Subordinated Debt Loan.

SECTION 6.12 Limitation on Certain Restrictions on Subsidiaries. Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary of the Canadian Borrower to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Canadian Borrower or any Subsidiary of the Canadian Borrower, or pay any Indebtedness owed to the Canadian Borrower or a Subsidiary of the Canadian Borrower, (b) make loans or advances to the Canadian Borrower or any Subsidiary of the Canadian Borrower or (c) transfer any of its properties to the Canadian Borrower or any Subsidiary of the Canadian Borrower, except for such encumbrances or restrictions existing under or by reason of (i) applicable Requirements of Law; (ii) this Agreement and the other Loan Documents; (iii) the Senior Note Documents and the Term Loan Documents or other Material Indebtedness; provided that in the case of such other Material Indebtedness, such encumbrances and restrictions are, taken as a whole, no more restrictive than such encumbrances and restrictions in the Term Loan Documents in existence on the Closing Date; (iv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Company; (v) customary provisions restricting assignment of any agreement entered into by a Subsidiary of the Canadian Borrower; (vi) any holder of a Lien permitted by Section 6.02 restricting the transfer of the property subject thereto; (vii) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale; (viii) any agreement in effect at the time such Subsidiary of the Canadian Borrower becomes a Subsidiary of the Canadian Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of the Canadian Borrower; (ix) without affecting the Loan Parties' obligations under Section 5.11, customary provisions in partnership agreements, shareholders' agreements, joint venture agreements, limited liability company organizational governance documents and other Organizational Documents, entered into in the ordinary course of business (or in connection with the formation of such partnership, joint venture, limited liability company or similar person) that (A) restrict the transfer of Equity Interests in such partnership, joint venture, limited liability company or similar person or (B) the case of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, provide for other restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the Equity Interests in, or property held in, such joint venture, and customary provisions in asset sale and stock sale agreements and other similar agreements permitted hereunder that provide for restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the assets or persons subject to such sale agreements; (x) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business; (xi) any instrument governing Indebtedness assumed in connection with any Permitted Acquisition, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired; or (xii) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise not prohibited by the Loan Documents of the

contracts, instruments or obligations referred to in clauses (iii), (viii) or (xi) above; provided that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

SECTION 6.13 Limitation on Issuance of Capital Stock.

(a) Except as permitted by clause (b)(vi) below, issue any Equity Interest that is not Qualified Capital Stock.

(b) Issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of any of the Loan Parties in any class of the Equity Interests of such issuing Company or issuances of Equity Interests in Joint Venture Subsidiaries in connection with the creation thereof; (ii) Subsidiaries of the Canadian Borrower formed after the Closing Date in accordance with Section 6.14 may issue Equity Interests to the Canadian Borrower or the Subsidiary of the Canadian Borrower which is to own such Equity Interests; (iii) the Canadian Borrower may issue common stock that is Qualified Capital Stock to Holdings, (iv) Holdings may issue Equity Interests that are Qualified Capital Stock, (v) any Company that is not a direct or indirect Wholly Owned Subsidiary of Holdings may issue Qualified Capital Stock to the extent such issuance would be a permitted Asset Sale under Section 6.06 and (vi) Joint Venture Subsidiaries may issue Preferred Stock or Disqualified Capital Stock. All Equity Interests issued in accordance with this Section 6.13(b) shall, to the extent required by Section 5.11 and Section 5.12 or any Security Agreement or if such Equity Interests are issued by any Loan Party (other than Holdings), be delivered to the Collateral Agent for pledge pursuant to the applicable Security Agreement.

SECTION 6.14 Limitation on Creation of Subsidiaries. Establish, create or acquire any additional Subsidiaries without the prior written consent of the Required Lenders; provided that, without such consent, Loan Parties may (i) establish or create one or more Wholly Owned Subsidiaries of Holdings or (ii) establish, create or acquire one or more Subsidiaries in connection with an Investment made pursuant to Section 6.04(d), (k), (m), (n), (o) or (p), so long as, in each case, Section 5.11(b) shall be complied with.

SECTION 6.15 Business.

(a) Each of Holdings, Novelis Europe Holdings Limited and Eurofoil shall not engage in any business or activity other than (i) holding shares in the Equity Interests of its Subsidiaries, (ii) holding intercompany loans made to the Canadian Borrower, (iii) other activities attributable to or ancillary to its role as a holding company for its Subsidiaries, and (iv) compliance with its obligations under the Loan Documents, the Term Loan Documents (and any Permitted Term Loan Facility Refinancings thereof), and the Senior Note Documents (and any Permitted Refinancings thereof).

(b) With respect to Borrower and the Subsidiaries, engage (directly or indirectly) in any business other than those businesses in which Borrower and its Subsidiaries are engaged on the Closing Date as described in the Confidential Information Memorandum (or, in the good

faith judgment of the Board of Directors, which are substantially related thereto or are reasonable extensions thereof).

(c) Permit any Securitization Subsidiary to engage in any business or activity other than performing its obligations under the related Securitization Facility.

SECTION 6.16 **Limitation on Accounting Changes**. Make or permit any change in accounting policies or reporting practices or tax reporting treatment, except changes that are permitted by GAAP or any Requirement of Law and disclosed to the Funding Agent.

SECTION 6.17 **Fiscal Year**. Change its fiscal year-end to a date other than March 31.

SECTION 6.18 **Lease Obligations**. Create, incur, assume or suffer to exist any obligations as lessee for the rental or hire of real or personal property of any kind under leases or agreements to lease (other than Capital Lease Obligations permitted under Section 6.01(f)) having an original term of one year or more that would cause the aggregate amount of rent paid or reserved in respect of all such obligations to exceed $25 million payable in any fiscal year of the Canadian Borrower.

SECTION 6.19 **No Further Negative Pledge**. Enter into or suffer to exist any consensual agreement, instrument, deed or lease which prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of their respective properties or revenues, whether now owned or hereafter acquired to secure the Secured Obligations, or which requires the grant of any security for an obligation if security is granted to secure the Secured Obligations, except the following: (1) this Agreement and the other Loan Documents; (2) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby; (3) the Senior Note Documents and the Term Loan Documents; and (4) any prohibition or limitation that (a) exists pursuant to applicable Requirements of Law, (b) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale, (c) restricts subletting or assignment of any lease governing a leasehold interest of a Loan Party or a Subsidiary, (d) is permitted under Section 6.02(s), (e) exists in any agreement or other instrument of a person acquired in an Investment permitted hereunder in existence at the time of such Investment (but not created in connection therewith or in contemplation thereof), which prohibition or limitation is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person so acquired; and provided that no such person shall be a Borrowing Base Guarantor, and no properties of any such person shall be included in the Borrowing Base, to the extent such prohibition or limitation is applicable to the Liens under the Security Documents or requires the grant or creation of a Lien on any of the Revolving Credit Priority Collateral, (f) is contained in any joint venture, shareholders agreement, limited liability operating agreement or other Organizational Document governing a Joint Venture or Joint Venture Subsidiary which limits the ability of an owner of an interest in a Joint Venture or Joint Venture Subsidiary from encumbering its ownership interest therein or (g) is imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (3) or (4)(e); provided that such amendments and refinancings are no more

materially restrictive with respect to such prohibitions and limitations than those prior to such amendment or refinancing.

SECTION 6.20 **Anti-Terrorism Law; Anti-Money Laundering**.

(a) Directly or indirectly, (i) knowingly conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.22, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Loan Parties' compliance with this Section 6.20).

(b) Cause or permit any of the funds of such Loan Party that are used to repay the Loans to be derived from any unlawful activity with the result that the making of the Loans would be in violation of any Requirement of Law.

SECTION 6.21 **Embargoed Persons**. Cause or permit (a) any of the funds or properties of the Loan Parties that are used to repay the Loans to constitute property of, or be beneficially owned directly or indirectly by, any person subject to sanctions or trade restrictions under United States law ("**Embargoed Person**" or "**Embargoed Persons**") that is identified on (1) the "List of Specially Designated Nationals and Blocked Persons" maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*., The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq*., and any Executive Order or Requirement of Law promulgated thereunder, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law, or the Loans made by the Lenders would be in violation of a Requirement of Law, or (2) the Executive Order, any related enabling legislation or any other similar Executive Orders or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in the Loan Parties, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law or the Loans are in violation of a Requirement of Law.

SECTION 6.22 **Tax Shelter Reporting**. Treat the Loans as being a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. In the event Borrowers (or any of them) determine to take any action inconsistent with such intention, they will promptly notify the Funding Agent thereof. This covenant shall survive the payment and termination of any Loans under this Agreement.

ARTICLE VII.

GUARANTEE

SECTION 7.01 **The Guarantee**. The Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and permitted assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Loans made by the Lenders to, and the Notes held by each Lender of, each Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document or Treasury Services Agreement entered into with a counterparty that is a Secured Party, and the performance of all obligations under any of the foregoing, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "**Guaranteed Obligations**"). In addition to the guarantee contained herein, each Guarantor that is a Foreign Subsidiary, as well as Holdings, shall execute a Guarantee governed by the applicable law of such Person's jurisdiction of organization (each such Guarantee, a "**Foreign Guarantee**") and to the extent that the provisions of this Article VII shall duplicate or conflict with the provisions thereof, the terms of the Foreign Guarantees shall govern the obligations of such Guarantors. The Guarantors hereby jointly and severally agree that if Borrower(s) or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever as if it was the principal obligor, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. Without prejudice to the generality of Section 7.01 and Section 7.02, each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Loan Documents and/or any facility or amount made available under any of the Loan Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributors to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

SECTION 7.02 **Obligations Unconditional**. The obligations of the Guarantors under Section 7.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of Borrowers or any other Loan Party under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, Issuing Bank or any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected; or

(v) the release of any other Guarantor pursuant to Section 7.09.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against any Borrower or any other Loan Party under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between Borrowers and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against any Borrower or any other Loan Party, or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

SECTION 7.03 Reinstatement. The obligations of the Guarantors under this ARTICLE VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed

Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantors jointly and severally agree that they will indemnify each Secured Party on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, other than any costs or expenses resulting from the bad faith or willful misconduct of such Secured Party.

SECTION 7.04 Subrogation; Subordination. Each Guarantor hereby agrees that until the indefeasible and irrevocable payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against any Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Loan Party permitted pursuant to Section 6.01(d) shall be subordinated to such Loan Party's Secured Obligations a manner reasonably satisfactory to the Funding Agent.

SECTION 7.05 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of Borrowers under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.01) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Borrowers) shall forthwith become due and payable by the Guarantors for purposes of Section 7.01.

SECTION 7.06 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this ARTICLE VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

SECTION 7.07 Continuing Guarantee. The guarantee in this ARTICLE VII is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

SECTION 7.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such

liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 7.09 Release of Guarantors. If, in compliance with the terms and provisions of the Loan Documents, Equity Interests of any Guarantor are sold or transferred such that it ceases to be a Subsidiary (a "**Transferred Guarantor**") to a person or persons, none of which is a Loan Party or a Subsidiary, such Transferred Guarantor shall, upon the consummation of such sale or transfer, be released from its obligations under this Agreement (including under Section 11.03 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and the pledge of such Equity Interests so transferred to the Collateral Agent pursuant to the Security Agreements shall be released, and the Collateral Agent shall take such actions as are necessary to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents; provided that such Guarantor is also released from its obligations under the Term Loan Documents and other guaranteed Material Indebtedness on the same terms.

SECTION 7.10 Certain Tax Matters. Notwithstanding the provisions of Sections 2.06(j), 2.15, 2.20, 2.21 or 2.22 if a Loan Party makes a payment hereunder that is subject to withholding tax in excess of the withholding that would have been imposed on payments made by the Borrower with respect to whose obligation it is making a payment, the Loan Parties shall increase the amount of such payment such that, after deduction and payment of all such withholding taxes, the payee receives an amount equal to the amount it would have received if no such withholding had been imposed; provided, that the Agent or Lender provides, as reasonably requested by the relevant Loan Party and as required under Sections 2.15(e), 2.15(g), or 2.15(h), as the case may be, such forms, certificates and documentation that it is legally entitled to furnish and would be required to reduce or eliminate withholding and, with respect to non-U.S. withholding taxes, would not, in the Funding Agent's or the relevant Lender's reasonable judgment, subject it to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect.

SECTION 7.11 German Guarantor.

(a) Subject to Section 7.11(b) through Section 7.11(e) below, the Secured Parties shall not enforce the guarantee obligations of a German Guarantor existing in the form of a German limited liability company or limited partnership with a limited liability company as partner (*GmbH* or *GmbH & Co. KG*) under this Article VII to the extent (i) such German Guarantor guarantees obligations of one of its shareholders or of an affiliated company (*verbundenes Unternehmen*) of a shareholder within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*) (other than a Subsidiary of that German Guarantor or the German Guarantor itself), and (ii) the enforcement of such guarantee for shareholder obligations would reduce, in violation of Section 30 of the German Limited Liability Companies Act (*GmbHG*), the net assets (assets minus liabilities minus provisions and liability reserves (*Reinvermögen*), in each case as calculated in accordance with generally accepted accounting principles in Germany (*Grundsätze ordnungsmäßiger Buchführung*) as consistently applied by such German Guarantor in preparing its unconsolidated balance sheets (*Jahresabschluss gem. § 42 GmbH — Act, §§ 242, 264 HGB*) of the German Guarantor (or in the case of a GmbH & Co. KG, its general partner) to an amount that is insufficient to maintain its (or in the case of a GmbH & Co. KG, its general partner's) registered share capital (*Stammkapital*) (or would increase an existing shortage in its net assets below its registered share capital); provided that for the purpose of determining the relevant registered share capital and the net assets, as the case may be:

(i) The amount of any increase of registered share capital (*Stammkapital*) of such German Guarantor (or its general partner in the form of a GmbH) implemented after the date of this Agreement that is effected without the prior written consent of the Funding Agent shall be deducted from the registered share capital of the German Guarantor (or its general partner in the form of a GmbH);

(ii) any loans provided to the German Guarantor by a direct or indirect shareholder or an affiliate thereof (other than a Subsidiary of such German Guarantor) shall be disregarded and not accounted for as a liability to the extent that such loans are subordinated or are considered subordinated under Section 32a GmbHG;

(iii) shareholder loans, other loans and contractual obligations and liabilities incurred by the German Guarantor in violation of the provisions of any of the Loan Documents shall be disregarded and not accounted for as liabilities;

(iv) any assets that are shown in the balance sheet with a book value that, in the opinion of the Funding Agent, is significantly lower than their market value and that are not necessary for the business of the German Guarantor (*nicht betriebsnotwendig*) shall be accounted for with their market value; and

(v) the assets of the German Guarantor will be assessed at liquidation values (*Liquidationswerte*) if, at the time the managing directors prepare the balance sheet in accordance with paragraph (b) below and absent the demand a positive going concern prognosis (*positive Fortbestehensprognose*) cannot be established.

(b) The limitations set out in Section 7.11(a) only apply:

(i) if and to the extent that the managing directors of the German Guarantor (or in the case of a GmbH Co. KG, its general partner) have confirmed in writing to the Funding Agent within ten Business Days of a demand for payment under this Article VII the amount of the obligations under this Article VII which cannot be paid without causing the net assets of such German Guarantor (or in the case of a GmbH Co. KG, its general partner) to fall below its registered share capital, or increase an existing shortage in net assets below its registered share capital (taking into account the adjustments set out above) and such confirmation is supported by a current balance sheet and other evidence satisfactory to the Funding Agent and neither the Funding Agent nor any Lender raises any objections against that confirmation within five Business Days after its receipt; or

(ii) if, within twenty Business Days after an objection under clause (i) has been raised by the Funding Agent or a Lender, the Funding Agent receives a written audit report ("**Auditor's Determination**") prepared at the expense of the relevant German Guarantor by a firm of auditors of international standing and reputation that is appointed by the German Guarantor and reasonably acceptable to the Funding Agent, to the extent such report identifies the amount by which the net assets of that German Guarantor (or in the case of a GmbH & Co. KG, its general partner in the form of a GmbH) are necessary to maintain its registered share capital as at the date of the demand under this Article VII (taking into account the adjustments set out above). The Auditor's Determination shall be prepared in accordance with generally accepted accounting principles applicable in Germany (*Grundsätze ordnungsgemäßer Buchführung*) as consistently applied by the German Guarantor in the preparation of its most recent annual balance sheet. The Auditor's Determination shall be binding for all Parties except for manifest error.

(c) In any event, the Credit Parties shall be entitled to enforce the guarantee up to those amounts that are undisputed between them and the relevant German Guarantor or determined in accordance with Section 7.11(a) and Section 7.11(b). In respect of the exceeding amounts, the Credit Parties shall be entitled to further pursue their claims (if any) and the German Guarantor shall be entitled to provide that the excess amounts are necessary to maintain its registered share capital (calculated as at the date of demand under this Article VII and taking into account the adjustments set out above). The Secured Parties are entitled to pursue those parts of the guarantee obligations of the German Guarantor that are not enforced by operation of Section 7.11(a) above at any subsequent point in time. This Section 7.11 shall apply again as of the time such additional demands are made.

(d) Section 7.11(a) shall not apply as to the amount of Loans borrowed under this Agreement and passed on (whether by way of shareholder loan or equity contribution) to the respective German Guarantor or any of its Subsidiaries as long as the respective shareholder loan is outstanding or the respective equity contribution has not been dissolved or otherwise repaid.

(e) Should it become legally permissible for managing directors of a German Guarantor to enter into guarantees in support of obligations of their shareholders without limitations, the limitations set forth in Section 7.11(a) shall no longer apply. Should any such

guarantees become subject to legal restrictions that are less stringent than the limitations set forth in Section 7.11(a) above, such less stringent limitations shall apply. Otherwise, Section 7.11(a) shall remain unaffected by changes in applicable law.

SECTION 7.12 Swiss Guarantors. If and to the extent that (i) the obligations under this ARTICLE VII of any Swiss Guarantor are for the exclusive benefit of any of such Swiss Guarantor's Affiliates (other than such Swiss Guarantor's direct or indirect Subsidiaries) and (ii) complying with the obligations under this ARTICLE VII would constitute a repayment of capital (*restitution des apports*) or the payment of a (constructive) dividend (*distribution de dividende*), the following shall apply:

(a) The aggregate obligations under this ARTICLE VII of any Swiss Guarantor shall be limited to the maximum amount of such Swiss Guarantor's profits and reserves available for distribution, in each case in accordance with, without limitation, articles 671 para.1 to 3 and 675 para.2 of the Swiss Code of Obligations (the "**Available Amount**") at the time any Swiss Guarantor makes a payment under this ARTICLE VII (provided such limitation is still a legal requirement under Swiss law at that time).

(b) Immediately after having been requested to make a payment under this ARTICLE VII (the "**Guarantee Payment**"), each Swiss Guarantor shall (i) provide the Funding Agent, within thirty (30) Business Days from being requested to make the Guarantee Payment, with (1) an interim audited balance sheet prepared by the statutory auditors of the applicable Swiss Guarantor, (2) the determination of the Available Amount based on such interim audited balance sheet as computed by the statutory auditors, and (3) a confirmation from the statutory auditors that the Available Amount is the maximum amount which can be paid by the Swiss Guarantor under this ARTICLE VII without breaching the provisions of Swiss corporate law, which are aimed at protecting the share capital and legal reserves, and (ii) upon receipt of the confirmation referred to in the preceding sentence under (3) and after having taken all actions required pursuant to paragraph (d) below, make such Guarantee Payment in full (less, if required, any Swiss Withholding Tax).

(c) If so required under Swiss law (including double tax treaties to which Switzerland is a party) at the time it is required to make a payment under this ARTICLE VII or the Security Documents, the applicable Swiss Guarantor (1) may deduct the Swiss Withholding Tax at the rate of 35% (or such other rate as may be in force at such time) from any payment under this ARTICLE VII or the Security Documents, (2) may pay the Swiss Withholding Tax to the Swiss Federal Tax Administration, and (3) shall notify and provide evidence to the Funding Agent that the Swiss Withholding Tax has been paid to the Swiss Federal Tax Administration. To the extent the Guarantee Payment due is less than the Available Amount, the applicable Swiss Guarantor shall be required to make a gross-up, indemnify or otherwise hold harmless the Secured Parties for the deduction of the Swiss Withholding Tax, it being understood that at no time shall the Guarantee Payment (including any gross-up or indemnification payment pursuant to this paragraph (c) and including any Swiss Withholding Tax levied thereon) exceed the Available Amount. The applicable Swiss Guarantor shall use its best efforts to ensure that any person which is, as a result of a payment under this ARTICLE VII, entitled to a full or partial refund of the Swiss Withholding Tax, shall as soon as possible after the deduction of the Swiss Withholding Tax (i) request a refund

of the Swiss Withholding Tax under any applicable law (including double tax treaties) and (ii) pay to the Secured Parties upon receipt any amount so refunded. The Obligations will only be considered as discharged to the extent of the effective payment received by the Secured Parties under this ARTICLE VII. This subsection (c) is without prejudice to the gross-up or indemnification obligations of any Guarantor other that the Swiss Guarantors.

(d) The Swiss Guarantors shall use reasonable efforts to take and cause to be taken all and any other action, including the passing of any shareholders' resolutions to approve any Guarantee Payment under this ARTICLE VII or the Security Documents, which may be required as a matter of Swiss mandatory law or standard business practice as existing at the time it is required to make a Guarantee Payment under this ARTICLE VII or the Security Documents in order to allow for a prompt payment of the Guarantee Payment or Available Amount, as applicable.

(e) To the extent (i) the Swiss Borrower is jointly and severally liable towards the Lenders for obligations under this Agreement of the Swiss Borrower's Affiliates (other than the Swiss Borrower's direct or indirect Subsidiaries) which were incurred for the exclusive benefit of such Swiss Borrower's Affiliates and (ii) complying with such joint and several obligations would constitute a repayment of capital (*restitution des apports*) or the payment of a (constructive) dividend (*distribution de dividende*), then paragraphs (a) to (d) of this ARTICLE VII shall be applicable to such obligations. For the avoidance of doubt this paragraph is without prejudice to the joint and several liability of any Loan Party (other than the Swiss Borrower) for any obligations arising under this Agreement.

SECTION 7.13 Irish Guarantor. This Guarantee does not apply to any liability to the extent that it would result in this Guarantee constituting unlawful financial assistance within the meaning of, in respect of any Irish Guarantor, Section 60 of the Companies Act 1963 of Ireland.

SECTION 7.14 Brazilian Guarantor. The Brazilian Guarantor waives and shall not exercise any and all rights and privileges granted to guarantors which might otherwise be deemed applicable, including but not limited to the rights and privileges referred to in Articles 827, 834, 835, 836, 837, 838 and 839 of the Brazilian Civil Code and the provisions of Article 595 of the Brazilian Civil Procedure Code.

ARTICLE VIII.

EVENTS OF DEFAULT

SECTION 8.01 Events of Default. Upon the occurrence and during the continuance of the following events ("**Events of Default**"):

(a) default shall be made in the payment of any principal of any Loan or any Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in paragraph (a) above) due under any

Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings or issuances of Letters of Credit hereunder, or which is contained in any certificate furnished by or on behalf of a Loan Party pursuant to this Agreement or any other Loan Document, shall prove to have been false or misleading in any material respect when so made or deemed made;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02(a), Section 5.03(a), Section 5.04(a), Section 5.04(b), Section 5.08, Section 9.01(e), Section 9.02(b), Section 9.03, and ARTICLE VI;

(e) (i) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02 (other than Section 5.02(a)), or ARTICLE IX (other than Section 9.01(e), Section 9.02(b), and Section 9.03), and such default shall continue unremedied or shall not be waived for a period of five (5) days after written notice thereof from the Funding Agent or any Lender to Administrative Borrower, or (ii) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (a), (b), (d) or (e)(i) immediately above) and such default shall continue unremedied or shall not be waived for a period of thirty (30) days after written notice thereof from the Funding Agent or any Lender to Administrative Borrower;

(f) any Company shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit (in the case of the Senior Notes only, with or without the lapse of time, but after any notice period required thereunder has commenced) the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf to cause such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer purchase by the obligor; provided that, other than in the case of the Term Loans, it shall not constitute an Event of Default pursuant to this paragraph (f) unless the aggregate Dollar Equivalent amount of all such Indebtedness referred to in clauses (i) and (ii) exceeds $50 million at any one time (provided that, in the case of Hedging Obligations, the amount counted for this purpose shall be the net amount payable by all Companies if such Hedging Obligations were terminated at such time);

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Loan Party or Material Subsidiary, or of a substantial part of the property of any Loan Party or Material Subsidiary, under Title 11 of the U.S. Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar

official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; or (iii) the winding-up, liquidation or examination of any Loan Party or Material Subsidiary; and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party or Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its insolvency or inability or fail generally to pay its debts as they become due; (vii) take any action for the purpose of effecting any of the foregoing; (viii) wind up or liquidate (except in accordance with Section 6.05) or put into examination, (ix) take any step with a view to a moratorium or a composition or similar arrangement with any creditors of any Loan Party or Material Subsidiary, or a moratorium is declared or instituted in respect of the indebtedness of any Loan Party or Material Subsidiary;

(i) one or more judgments, orders or decrees for the payment of money in an aggregate Dollar Equivalent amount in excess of $25 million, to the extent not covered by insurance or supported by a letter of credit or appeal bonds posted in cash, shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such judgment;

(j) one or more ERISA Events or noncompliance with respect to Foreign Plans or Compensation Plans shall have occurred that, when taken together with all other such ERISA Events and noncompliance with respect to Foreign Plans or Compensation Plans that have occurred, could reasonably be expected to result in liability of any Company and its ERISA Affiliates that could reasonably be expected to result in a Material Adverse Effect;

(k) any security interest and Lien purported to be created by any Security Document shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, a valid, perfected First Priority (subject to the Intercreditor Agreement) security interest in and Lien on all of the Collateral thereunder (except as otherwise expressly provided in such Security Document) in favor of the Collateral Agent, or shall be asserted by any Borrower or any other Loan Party not to be a valid, perfected, First Priority (except as otherwise expressly provided in this Agreement, the Intercreditor Agreement or such Security Document) security interest in or Lien on the Collateral covered thereby;

(l) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by any Loan Party or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Loan Party shall repudiate or deny any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control;

(n) the Intercreditor Agreement or any material provision thereof shall cease to be in full force or effect other than (i) as expressly permitted hereunder or thereunder, (ii) by a consensual termination or modification thereof agreed to by the Agents party thereto and the Term Loan Agents party thereto, or (iii) as a result of satisfaction in full of the obligations under the Term Loan Documents;

(o) any Company shall be prohibited or otherwise restrained from conducting the business theretofore conducted by it in any manner that has or could reasonably be expected to result in a Material Adverse Effect by virtue of any determination, ruling, decision, decree or order of any court or Governmental Authority of competent jurisdiction; or

(p) a "Termination Event" (as defined therein) has occurred under the Receivables Purchase Agreement;

then, and in every such event (other than an event with respect to any Loan Party described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event or an acceleration of all obligations under the Term Loan Credit Agreement, the Funding Agent may, and at the request of the Required Lenders shall, by notice to Administrative Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans and Reimbursement Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans and Reimbursement Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event, with respect to any Loan Party described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans and Reimbursement Obligations then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding.

SECTION 8.02 **Rescission**. If at any time after termination of the Commitments or acceleration of the maturity of the Loans, the Loan Parties shall pay all arrears of interest and all payments on account of principal of the Loans and Reimbursement Obligations owing by them

that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant Section 11.02, then upon the written consent of the Required Lenders and written notice to the Administrative Borrower, the termination of the Commitments or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders and the Issuing Bank to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit any Loan Party and do not give any Loan Party the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

SECTION 8.03 Application of Proceeds. Subject to the terms of the Intercreditor Agreement, the proceeds received by any of the Agents in respect of any sale of, collection from or other realization upon all or any part of the Collateral, whether pursuant to the exercise by the Collateral Agent of its remedies or otherwise (including any payments received with respect to adequate protection payments or other distributions relating to the Obligations during the pendency of any reorganization or insolvency proceeding) after an Event of Default has occurred and is continuing or after the acceleration of the Obligations, shall be applied, in full or in part, together with any other sums then held by the Agents or any Receiver pursuant to this Agreement, promptly by the Agents or any Receiver as follows:

(a) *First*, to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Agents or any Receiver and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Agents or any Receiver in connection therewith and all amounts for which the Agents or any Receiver are entitled to indemnification pursuant to the provisions of any Loan Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including any compensation payable to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third*, without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, *pro rata*, of interest and other amounts constituting Obligations which are then due and owing (other than principal and Reimbursement Obligations) including Overadvances (other than obligations of the type described in clause (b) in the definition of "Secured Obligations"), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(d) *Fourth*, to the indefeasible payment in full in cash, *pro rata*, of the principal amount of the Obligations and any premium thereon (including the cash collateralization of

any Reimbursement Obligations pursuant to Section 2.18(i) (other than obligations of the type described in clause (b) in the definition of "Secured Obligations"); and

(e) *Fifth*, to the indefeasible payment in full in cash, *pro rata*, of obligations of the type described in clause (b) in the definition of "Secured Obligations" including, but not limited to, obligations arising under Treasury Services Agreements constituting Secured Obligations; and

(f) *Sixth*, the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (e) of this Section 8.02, the Loan Parties shall remain liable, jointly and severally, for any deficiency.

ARTICLE IX.

COLLATERAL ACCOUNT; COLLATERAL MONITORING; APPLICATION OF COLLATERAL PROCEEDS

Each Loan Party covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired or been fully cash collateralized and all amounts drawn thereunder have been reimbursed in full, unless Collateral Agent and Funding Agent or the Required Lenders shall otherwise consent in writing:

SECTION 9.01 Accounts; Cash Management

The Loan Parties in the United States, Canada, England and Wales, Switzerland, and Germany (and any other jurisdiction in which a Borrower or Borrowing Base Guarantor is located) (the "**Borrowing Base Loan Parties**") shall maintain a cash management system which is acceptable to the Funding Agent and the Collateral Agent (the "**Cash Management System**"), which shall operate as follows:

(a) All funds held by any Borrowing Base Loan Party (other than funds being collected pursuant to the provisions stated below) shall be deposited in one or more bank accounts or securities investment accounts, in form and substance reasonably satisfactory to Collateral Agent subject to the terms of the Security Agreement and applicable Control Agreements.

(b) Each Borrowing Base Loan Party shall establish and maintain, at its sole expense, blocked accounts, charged accounts, or lockboxes and related deposit accounts (in each case, "**Blocked Accounts**"), which, on the Closing Date, shall consist of the accounts listed as such on Schedule 9.01(b) and related lockboxes maintained by the financial institutions listed on such schedule (or another financial institution acceptable to Collateral

Agent), with such banks as are acceptable to Collateral Agent into which each Loan Party shall promptly deposit and direct their respective Account Debtors to directly remit all payments on Accounts and all payments constituting proceeds of Inventory or other Collateral (other than proceeds of a Casualty Event or an Asset Sale that do not require a repayment under Loan Documents, and subject to the Intercreditor Agreement) in the identical form in which such payments are made, whether by cash, check or other manner and shall be identified and segregated from all other funds of the Loan Parties (except, with regard to accounts located in Europe, to the extent permitted pursuant to the applicable U.K. Security Agreement, the Swiss Security Agreement or the German Security Agreement or Control Agreement). Each Borrowing Base Loan Party shall deliver, or cause to be delivered, to Collateral Agent a Control Agreement duly authorized, executed and delivered by each bank where a Blocked Account for the benefit of any Borrowing Base Loan Party is maintained, and, except as provided in Section 9.01(d), by each bank where any other deposit account of a Borrowing Base Loan Party is from time to time maintained. Each Borrowing Base Loan Party shall further execute and deliver such agreements and documents as Collateral Agent may reasonably require in connection with such Blocked Accounts and such Control Agreements. No Borrowing Base Loan Party shall establish any deposit accounts after the Closing Date, unless such Loan Party has given the Collateral Agent 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice of its intention to establish such new account and has complied in full with the provisions of this Section 9.01(b) with respect to such deposit accounts. Each Borrowing Base Loan Party agrees that from and after the delivery of an Activation Notice (as defined below), all payments made to such Blocked Accounts or other funds received and collected by Collateral Agent or any Lender, whether in respect of the Accounts, as proceeds of Inventory or other Collateral (subject to the Intercreditor Agreement) or otherwise shall be treated as payments to Collateral Agent and Lenders in respect of the Obligations and therefore shall constitute the property of Collateral Agent and Lenders to the extent of the then outstanding Obligations and may be applied by the Collateral Agent in accordance with Section 9.01(e).

(c) With respect to the Blocked Accounts of the U.S. Borrowers and such other Borrowing Base Loan Parties as the Collateral Agent shall determine in its sole discretion, the applicable bank maintaining such Blocked Accounts shall agree to forward daily all amounts in each Blocked Account to one Blocked Account designated as a concentration account in the name listed on Schedule 9.01(b) (the "**Concentration Account**") at a bank acceptable to the Collateral Agent that shall be designated as the Concentration Account bank for the Loan Parties (the "**Concentration Account Bank**"), which, on the Closing Date, shall consist of the accounts listed as such on Schedule 9.01(b) maintained by the financial institutions listed on such schedule (or other financial institution acceptable to the Collateral Agent). Each Bank providing a Blocked Account shall agree to follow the instructions of the Collateral Agent with regard to each such Blocked Account, including the Concentration Account, including, from and after the receipt of a notice (an "**Activation Notice**") from the Collateral Agent (which Activation Notice may (or shall, upon the written instruction of the Required Lenders) be given by Collateral Agent at any time from and after the occurrence of a Cash Dominion Trigger Event and prior to a Cash Dominion Recovery Event) pursuant to the applicable Control Agreement, to follow only the instructions of the Collateral Agent (and not those of any Loan Party) with respect to the Blocked Accounts (including the Concentration Account), including (i) to forward daily all amounts in the Concentration Account to the

account designated as the collection account (the "**Collection Account**"), which shall be under the exclusive dominion and control of the Collateral Agent (it being understood that, prior to the delivery of an Activation Notice, the respective Loan Parties shall also be authorized to issue instructions with regard to funds in the Concentration Account), and (ii) with respect to the Blocked Accounts to forward all amounts in each Blocked Account to the applicable Collection Account or as the Collateral Agent otherwise directs and to commence the process of daily sweeps from such Blocked Account into the Collection Account or otherwise under Section 9.01 or as the Collateral Agent otherwise directs.

(d) Notwithstanding any provision of this Section 9.01 to the contrary, (A) Borrowing Base Loan Parties may maintain zero balance disbursement accounts and accounts used solely to fund payroll, payroll taxes or employee benefits in the ordinary course of business that are not a part of the Cash Management Systems, provided that no Borrowing Base Loan Parties shall accumulate or maintain cash in such accounts as of any date of determination in excess of checks outstanding against such accounts as of that date and amounts necessary to meet minimum balance requirements or Requirements of Law and (B) Borrowing Base Loan Parties may maintain local cash accounts that are not a part of the Cash Management Systems which individually do not at any time contain funds in excess of $50,000 and, together with all other such local cash accounts, do not exceed $500,000.

(e) From and after the delivery of an Activation Notice, unless an Event of Default has occurred and is continuing (in which event Section 8.03 shall apply) and unless Funding Agent or Collateral Agent determines to release such funds to the Borrowers in accordance with the following sentence, Funding Agent shall apply all funds of a Borrower or Borrowing Base Guarantor organized under the laws of the same jurisdiction of such Borrower that are in or are received into a Collection Account or that are otherwise received under this Section 9.01 by the Funding Agent or the Collateral Agent (except to the extent constituting Term Loan Priority Collateral or otherwise not required to be paid pursuant to Section 2.10) on a daily basis to the repayment of (i) *first*, Fees and reimbursable expenses of the Funding Agent and the Collateral Agent then due and payable by such Borrower and such Borrowing Base Guarantors; (ii) *second*, to interest then due and payable on all Loans to such Borrower, (iii) *third*, Overadvances to such Borrower, (iv) *fourth*, the Swingline Loans to such Borrower, (v) *fifth*, Base Rate Loans to such Borrower, *pro rata*, (vi) *sixth*, BA Rate Loans, Eurocurrency Loans and EURIBOR Loans to such Borrower, *pro rata*, together with all accrued and unpaid interest thereon (provided, however, payments on such BA Rate Loans, Eurocurrency Loans and EURIBOR Loans with respect to which the application of such payment would result in the payment of the principal prior to the last day of the relevant Interest Period shall be transferred to the Cash Collateral Account to be applied to such BA Rate Loans, Eurocurrency Loans or EURIBOR Loans on the last day of the relevant Interest Period of such BA Rate Loans, Eurocurrency Loan or EURIBOR Loan or to the Obligations owing by such Borrower and Borrowing Base Guarantors as they come due (whether at stated maturity, by acceleration or otherwise). After payment in full has been made of the amounts required under subsections (i)-(vi) in the preceding sentence, all funds in a Collection Account or otherwise received under Section 9.01(b) (except to the extent not required to be paid thereunder) shall be applied on a daily basis to all amounts described in subsections (i)-(vi) in the preceding sentence owing by any other Loan Parties, in the order set out therein. Notwithstanding the foregoing sentences, after payment in full has been made of the amounts required under subsections (i)-

(vi) in the two preceding sentences, upon Administrative Borrower's request and as long as no Default has occurred and is continuing and all other conditions precedent to a Borrowing have been satisfied, any additional funds deposited in a Collection Account or a Cash Collateral Account shall be released to the applicable Borrowing Base Loan Party. In addition, if consented to by the Funding Agent, the Collateral Agent and the Required Lenders, such funds in a Cash Collateral Account may be released to the applicable Borrowing Base Loan Party. Notwithstanding the above, if the Funding Agent has declared the Loans and/or Reimbursement Obligations then outstanding to be forthwith due and payable in whole or in part pursuant to Section 8.01 or if an Event of Default has occurred and is continuing, the Funding Agent shall apply all funds received in the Collection Account in accordance with Section 8.03. If this Section 9.01(e) applies, the Funding Agent will use reasonable efforts to cooperate with the Administrative Borrower in structuring the payments under this Section 9.01(e) in a manner that would minimize withholding taxes imposed on such payments.

(f) Each Loan Party following delivery of an Activation Notice shall, acting as trustee for Collateral Agent, receive, as the property of Collateral Agent, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of Accounts, Inventory or other Collateral (subject to the Intercreditor Agreement) which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Collateral Agent. In no event shall the same be commingled with any Loan Party's own funds (except, with regard to accounts located in Europe, to the extent permitted pursuant to the applicable U.K. Security Agreement, Swiss Security Agreement, or German Security Agreement or Control Agreement). Each Loan Party agrees to reimburse Collateral Agent on demand for any amounts owed or paid to any bank at which a Blocked Account is established or any other bank or person involved in the transfer of funds to or from the Blocked Accounts arising out of Collateral Agent's payments to or indemnification of such bank or person.

(g) With regard to accounts located in Europe, the Collateral Agent may, in its sole discretion, agree pursuant to the Security Documents to vary the cash management procedures set forth herein, including as documented in the applicable U.K. Security Agreement, Swiss Security Agreement, German Security Agreement, and/or Control Agreements) and including, subject to Section 6.07, with regard to the European Cash Pooling Arrangements. To the extent that any Security Document sets forth cash management that varies from this Section 9.01, the applicable Loan Parties shall comply with such Security Documents, and shall comply with this Section 9.01 to the extent not inconsistent therewith.

SECTION 9.02 Inventory. With respect to the Inventory: (a) each Loan Party shall at all times maintain records of Inventory reasonably satisfactory to Collateral Agent, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, the cost therefor and daily withdrawals therefrom and additions thereto; and (b) the Loan Parties shall cooperate fully with the Collateral Agent and its agents during all Collateral field audits and Inventory Appraisals which shall be at the expense of Borrowers and shall be conducted (x) annually, (y) after the occurrence of a Covenant Trigger Event and prior to the subsequent occurrence of a Covenant Recovery Event, semi-annually, or (z) following the occurrence and during the continuation of an Event of Default, more frequently at Collateral Agent's reasonable request.

SECTION 9.03 **Borrowing Base-Related Reports**. The Borrowers shall deliver or cause to be delivered (at the expense of the Borrowers) to the Collateral Agent and the Funding Agent the following (and the Funding Agent shall make available to the Lenders, on the Platform or otherwise, in accordance with its customary procedures):

(a) in no event less frequently than fifteen (15) days after (x) the Closing Date, and (y) thereafter, the end of each month for the month most recently ended (or, if such day is not a Business Day, the next succeeding Business Day), a Borrowing Base Certificate from the Administrative Borrower accompanied by such supporting detail and documentation as shall be requested by the Collateral Agent in its Permitted Discretion, provided, that after the occurrence of a Covenant Trigger Event and until the occurrence of a corresponding Covenant Recovery Event, Administrative Borrower shall deliver additional weekly roll-forward of Accounts referenced in paragraph (b)(i) below (both consolidated and segregated by Borrower (or Borrowing Base Guarantor) and region) within five (5) Business Days after the end of each calendar week, and, if requested by the Collateral Agent or the Required Lenders, a Borrowing Base Certificate reflecting such updated Account information (prepared weekly) within five (5) Business Days after the end of each calendar week, or more frequent Borrowing Base Certificates reflecting shorter periods as reasonably requested by the Collateral Agent. Each Borrowing Base Certificate shall reflect all information through the end of the appropriate period for Borrower and each Borrowing Base Guarantor, both in consolidated form and segregated by Borrower (or Borrowing Base Guarantor) and region. In addition, the Administrative Borrower shall promptly (and in any event within five (5) Business Days) provide to the Collateral Agent and the Funding Agent an updated Borrowing Base Certificate after the occurrence of an event (including a casualty event, a sale or other disposition, or any other event resulting in the ineligibility of Accounts or Inventory that are included as Eligible Accounts or Eligible Inventory in the most recently delivered Borrowing Base Certificate) which causes such Accounts or Inventory in excess of $75 million included in such Borrowing Base no longer to be Eligible Accounts or Eligible Inventory;

(b) upon request by the Collateral Agent, and in no event less frequently than thirty (30) days after the end of (i) each month, a monthly trial balance showing Accounts outstanding aged from statement date as follows: 1 to 30 days, 31 to 60 days, 61 to 90 days and 91 days or more, accompanied by a comparison to the prior month's trial balance and such supporting detail and documentation as shall be requested by the Collateral Agent in its Permitted Discretion and (ii) each month, a summary of Inventory by location and type (differentiating raw materials, work-in-process, and finished goods) accompanied by such supporting detail and documentation as shall be requested by the Collateral Agent in its Permitted Discretion; and

(c) such other reports, statements and reconciliations with respect to the Borrowing Base or Collateral of any or all Loan Parties as the Collateral Agent shall from time to time request in its Permitted Discretion.

The delivery of each certificate and report or any other information delivered pursuant to this Section 9.03 shall constitute a representation and warranty by the Borrowers that the statements and information contained therein are true and correct in all material respects on and as of the date referred to therein.

SECTION 9.04 **Rescission of Activation Notice**. Notwithstanding any of the provisions of Section 9.01 to the contrary, after Collateral Agent has delivered an Activation Notice and upon delivery of a certificate by a Financial Officer of the Administrative Borrower to the Collateral Agent certifying that a Cash Dominion Recovery Event has occurred with respect to the outstanding Cash Dominion Trigger Event, the Collateral Agent shall rescind the Activation Notice by written notice, as necessary, to the applicable Concentration Account Banks and any such other banks to which Collateral Agent had issued such Activation Notice and following such rescission the Cash Management System shall be operated as if no such Activation Notice had been given.

ARTICLE X.

THE FUNDING AGENT AND THE COLLATERAL AGENT

SECTION 10.01 **Appointment and Authority**. Each of the Lenders and the Issuing Bank hereby irrevocably appoints LaSalle Business Credit, LLC to act on its behalf as the Funding Agent and the Collateral Agent hereunder and under the other Loan Documents and authorizes such Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agents by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Canadian Lenders hereby irrevocably appoints AMRO Bank N.V., acting through its Canadian branch, to act on its behalf as the Canadian Funding Agent hereunder and under the other Loan Documents and authorizes such Canadian Funding Agent to take such actions on its behalf and to exercise such powers as are delegated to such Canadian Funding Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Funding Agent, the Collateral Agent, the Canadian Funding Agent, the other Agents, the Lenders and the Issuing Bank, and neither Borrowers nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

SECTION 10.02 **Rights as a Lender**. Each person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Borrower or other Loan Party, or any Subsidiary or other Affiliate thereof, as if such person were not an Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 10.03 **Exculpatory Provisions.**

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that such Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Requirements of Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or other Loan Party or any of its Affiliates that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity.

(b) No Agent shall be liable for any action taken or not taken by it (x) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 11.02) or (y) in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by Administrative Borrower, a Lender or the Issuing Bank.

(c) No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in ARTICLE IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent. Without limiting the generality of the foregoing, the use of the term “agent” in this Agreement with reference to the Funding Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term us used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

SECTION 10.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be

fulfilled to the satisfaction of a Lender or the Issuing Bank, the Funding Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Funding Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for any Borrower or other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 10.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent, including a sub-agent which is a non-U.S. affiliate of such Agent; provided, that any such sub-agent of Canadian Administrative Agent or Canadian Funding Agent shall be a Person complying with the applicable requirements of Section 2.20. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties; provided, that any such sub-agent of Canadian Administrative Agent or Canadian Funding Agent shall be a Person complying with the applicable requirements of Section 2.20. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

SECTION 10.06 Resignation of Agent. Each Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Administrative Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Administrative Borrower, to appoint a successor, which (i) for an Agent other than the Canadian Funding Agent, shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States, (ii) in the case of the Canadian Funding Agent, shall be a bank that is a Canadian Resident, and (iii) for the Funding Agent, shall be a commercial bank or other financial institution having assets in excess of $1,000 million. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the Issuing Bank, appoint a successor Agent meeting the qualifications set forth above provided that if the Agent shall notify Administrative Borrower and the Lenders that no qualifying person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the Issuing Bank under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through an Agent shall instead be made by or to each Lender and the Issuing Bank directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan

Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this ARTICLE X and Section 11.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

SECTION 10.07 Non-Reliance on Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender further represents and warrants that it has reviewed the Confidential Information Memorandum, Appraisals and initial Borrowing Base Certificate and each other document made available to it on the Platform in connection with this Agreement and has acknowledged and accepted the terms and conditions applicable to the recipients thereof. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 10.08 No Other Duties, etc. Notwithstanding anything to the contrary contained herein, none of the Joint Bookmanagers, Joint Lead Arrangers, Syndication Agent, or Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Funding Agent, the Canadian Funding Agent, the Collateral Agent, a Lender or the Issuing Bank hereunder.

SECTION 10.09 Indemnification. The Lenders severally agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrowers or the Guarantors and without limiting the obligation of the Borrowers or the Guarantors to do so), ratably according to their respective outstanding Loans and Commitments in effect on the date on which indemnification is sought under this Section 10.09 (or, if indemnification is sought after the date upon which all Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such outstanding Loans and Commitments as in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from

such Agent's gross negligence or willful misconduct. The agreements in this Section 10.09 shall survive the payment of the Loans and all other amounts payable hereunder.

SECTION 10.10 Overadvances. The Funding Agent shall not, without the prior consent of the Required Lenders, make (and shall use its reasonable best efforts to prohibit the Issuing Banks and Swingline Lenders, as applicable, from making) any Revolving Loans or provide any Letters of Credit to the Borrowers on behalf of Lenders intentionally and with actual knowledge that such Revolving Loans, Swingline Loans, or Letters of Credit would either (i) cause the Total Revolving Exposure to exceed the lesser of (a) the Total Borrowing Base, and (b) the total Revolving Commitments, (ii) cause the Total Adjusted Revolving Exposure to exceed the Total Adjusted Borrowing Base, (iii) cause Total U.S./European Revolving Exposure to exceed the Total U.S./European Commitment at such time, (iv) cause Total Canadian Revolving Exposure to exceed the Total Canadian Commitment at such time, or (v) be made when one or more of the other conditions precedent to the making of Loans hereunder cannot be satisfied, except that Funding Agent may make (or cause to be made) such additional Revolving Loans or Swingline Loans or provide such additional Letters of Credit on behalf of Lenders (each an "**Overadvance**" and collectively, the "**Overadvances**"), intentionally and with actual knowledge that such Loans or Letters of Credit will be made without the satisfaction of the foregoing conditions precedent, if the Funding Agent deems it necessary or advisable in its discretion to do so, provided, that: (a) the total principal amount outstanding at any time of the Overadvances to the Borrowers which Funding Agent may make or provide (or cause to be made or provided) after obtaining such actual knowledge that the conditions precedent have not been satisfied, shall not exceed the amount equal to 5% of the U.S. Borrowing Base and shall not, without the consent of all Lenders, cause (i) total Revolving Exposure to exceed the Revolving Commitments of all of the Lenders, or the Revolving Exposure of a Lender to exceed such Lender's Revolving Commitment, (ii) the Total U.S./European Revolving Exposure to exceed the Total U.S./European Commitment of all of the Lenders, or such Lender's Pro Rata Percentage of the Total U.S./European Revolving Exposure to exceed such Lender's U.S./European Commitment, or (iii) the Total Canadian Revolving Exposure to exceed the Total Canadian Commitments of all of the Lenders, or the Canadian Exposure of a Lender to exceed such Lender's Canadian Commitment, (b) without the consent of all Lenders, (i) no Overadvance shall be outstanding for more than sixty (60) days and (ii) after all Overadvances have been repaid, Funding Agent shall not make any additional Overadvance unless sixty (60) days or more have elapsed since the last date on which any Overadvance was outstanding and (c) Funding Agent shall be entitled to recover such funds, on demand from the applicable Borrower together with interest thereon for each day from the date such payment was due until the date such amount is paid to Funding Agent at the interest rate provided for in Section 2.06(h). Each Lender of the applicable Class shall be obligated to pay Funding Agent the amount of its Pro Rata Percentage of any such Overadvance, provided, that such Funding Agent is acting in accordance with the terms of this Section 10.10.

SECTION 10.11 Concerning the Collateral and the Related Loan Documents. Each Lender authorizes and directs Agents to enter into this Agreement and the other Loan Documents, including the Intercreditor Agreement. Each Lender agrees that any action taken by Agents or Required Lenders in accordance with the terms of this Agreement or the other Loan Documents, including the Intercreditor Agreement, and the exercise by Agents or Required

Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

SECTION 10.12 Release. Each Lender and each Issuer hereby releases each Agent acting on its behalf pursuant to the terms of this Agreement or any other Loan Document from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) (restriction on self-dealing).

SECTION 10.13 Acknowledgment of Security Trust Deed. Each Lender acknowledges the terms of the Security Trust Deed and, in particular, the terms, basis and limitation on which the Collateral Agent holds the "Transaction Security" (as defined therein) and specifically agrees and accepts (i) such terms, basis and limitation; (ii) that the Collateral Agent shall, as trustee, have only those duties, obligations and responsibilities expressly specified in the Security Trust Deed; (iii) the limitation and exclusion of the Collateral Agent's liability as set out therein; and (iv) all other provisions of the Security Trust Deed as if it were a party thereto.

ARTICLE XI.

MISCELLANEOUS

SECTION 11.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(i) if to any Loan Party, to Administrative Borrower at:

Novelis Inc.
3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326
Attention: Orville Lunking, Treasurer
Telecopier No.: 404-814-4200
Email: orville.lunking@novelis.com

with a copy to:

Novelis Inc.
3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326
Attention: Leslie J. Parrette, Jr.
Telecopier No.: 404-814-4272
Email: les.parrette@novelis.com

if to the Funding Agent or the Collateral Agent, to it at:

LaSalle Business Credit, LLC
135 South LaSalle Street, Suite 425
Chicago, IL 60603
Attention: Account Officer
Telecopier No.: 312-904-6450

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Attention: Seth E. Jacobson
Telecopier No.: (312) 407-8511
Phone No.: (312) 407-0889

(ii) if to the U.S. Swingline Lender, to it at:

ABN AMRO Bank N.V.
135 South LaSalle Street, Suite 425
Chicago, IL 60603
Attention: Account Officer
Telecopier No.: 312-904-6450

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Attention: Seth E. Jacobson
Telecopier No.: (312) 407-8511
Phone No.: (312) 407-0889

(iii) if to the U.S. Issuing Bank, to it at:

ABN AMRO Bank N.V.
540 West Madison, 26th Floor
Chicago, IL 60661
Attention: Trade Services
Telecopier No.: 312-780-0828

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Attention: Seth E. Jacobson
Telecopier No.: (312) 407-8511
Phone No.: (312) 407-0889

(iv) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire;

(v) if to the Canadian Funding Agent or Canadian Issuing Bank, to it at:

ABN AMRO Bank N.V.
79 Wellington Street West
TD Waterhouse Tower, 15th Floor
Toronto, ON M5K 1G8
Canada

for commitments, covenants, extensions of maturity dates, and general matters:

Attention: Daniel Cabrera
Telecopier No.: (416) 367-7937

for financial information and reporting:

Attention: Daniel Cabrera and Phoebe Kokulakanthan
Telecopier No.: (416) 367-7937

for loans, interest and fees:

Attention: Carole Floyd
Telecopier No.: (312) 601-3610

Attention: Loan Administration
Telecopier No.: (416) 367-1485

In each case with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Attention: Seth E. Jacobson
Telecopier No.: (312) 407-8511
Phone No.: (312) 407-0889

(vi) if to the European Issuing Bank, to it at:

ABN AMRO Bank N.V., Zurich Branch
Beethovenstrasse 33
P.O. Box 2065
CH-8022 Zurich
Switzerland
Attention: Margot Kuesters and Annette Schmid
Telecopier No.: +41 44 631 41 80

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Attention: Seth E. Jacobson
Telecopier No.: (312) 407-8511
Phone No.: (312) 407-0889

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may (subject to Section 11.01(d)) be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Funding Agent; provided that the foregoing shall not apply to notices to any Lender or Issuing Bank pursuant to ARTICLE II if such Lender or Issuing Bank, as applicable, has notified the Funding Agent that it is incapable of receiving notices under such Article by electronic communication. The Funding Agent, the Collateral Agent or Administrative Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including as set forth in Section 11.01(d)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Funding Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

(d) Posting. Each Loan Party hereby agrees that it will provide to the Funding Agent all information, documents and other materials that it is obligated to furnish to the Funding Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Funding Agent at peter.walther@abnamro.com or at such other e-mail address(es) provided to Administrative Borrower from time to time or in such other form, including hard copy delivery thereof, as the Funding Agent shall reasonably require. Nothing in this Section 11.01(d) shall prejudice the right of the Agents, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document.

To the extent consented to by the Funding Agent from time to time, Funding Agent agrees that receipt of the Communications by the Funding Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Funding Agent for purposes of the Loan Documents; provided that Administrative Borrower shall also deliver to the Funding Agent an executed original of each Compliance Certificate and an executed copy (which may be by pdf or similar electronic transmission) of each notice or request of the type described in clauses (i) through (iv) of paragraph (d) above required to be delivered hereunder.

Each Loan Party further agrees that Funding Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "**Platform**"). The Platform is provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform. In no event shall the Funding Agent or any of its Related Parties have any liability to the Loan Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Funding Agent's transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct.

SECTION 11.02 **Waivers; Amendment**.

(a) Generally. No failure or delay by any Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by this Section 11.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Required Consents. Subject to the terms of the Intercreditor Agreement and to Section 11.02(c) and (d), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders (or by the Funding Agent with the written consent of the Required Lenders) or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Funding Agent, the Collateral Agent (in the case of any Security Document) and the Loan Party or Loan Parties that are party thereto, in each case with the written consent of the Required Lenders; provided that no such agreement shall be effective if the effect thereof would:

(i) increase the Commitment of any Lender without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default shall constitute an increase in the Commitment of any Lender);

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than interest pursuant to Section 2.06(f)), or reduce any Fees payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender directly affected thereby;

(iii) (A) change the scheduled final maturity of any Loan, (B) postpone the date for payment of any Reimbursement Obligation or any interest or fees payable hereunder, (C) change the amount of, waive or excuse any such payment (other than waiver of any increase in the interest rate pursuant to Section 2.06(f)), or (D) postpone the scheduled date of expiration of any Commitment or any Letter of Credit beyond the Final Maturity Date, in any case, without the written consent of each Lender directly affected thereby;

(iv) increase the maximum duration of Interest Periods hereunder, without the written consent of each Lender directly affected thereby;

(v) permit the assignment or delegation by any Borrower of any of its rights or obligations under any Loan Document, without the written consent of each Lender;

(vi) except pursuant to the Intercreditor Agreement, release Holdings or all or substantially all of the Subsidiary Guarantors from their Guarantees (except as expressly provided in this Agreement or as otherwise expressly provided by any such Guarantee), or limit their liability in respect of such Guarantees, without the written consent of each Lender;

(vii) except pursuant to the Intercreditor Agreement or the express terms hereof, release all or a substantial portion of the Collateral from the Liens of the Security Documents or alter the relative priorities of a material portion of the Secured Obligations entitled to the Liens of the Security Documents, in each case without the written consent of each Lender (it being understood that additional Classes of Loans or increases in the Loans consented to by the Required Lenders or additional Classes of Loans or increases in the Loans pursuant to Section 2.23 may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents;

(viii) change Section 2.14(b), (c) or (d) in a manner that would alter the *pro rata* sharing of payments or setoffs required thereby or any other provision in a manner that would alter the *pro rata* allocation among the Lenders of Loan disbursements, including the requirements of Section 2.02(a), Section 2.17(g) and Section 2.18(d), without the written consent of each Lender directly affected thereby (it being understood that additional Classes of Loans or Loans pursuant to Section 2.23 or consented to by the Required Lenders may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents) and may share payments and setoffs ratably with other Loans);

(ix) change any provision of this Section 11.02(b), (c), or (d), without the written consent of each Lender directly affected thereby (except for additional restrictions on amendments or waivers for the benefit of Lenders of additional Classes of Loans or Loans pursuant to Section 2.23 or consented to by the Required Lenders);

(x) change the percentage set forth in the definition of "**Required Lenders**" or "**Supermajority Lenders**" or any other provision of any Loan Document (including this Section) specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), other than to increase such percentage or number or to give any additional Lender or group of Lenders such right to waive, amend or modify or make any such determination or grant any such consent;

(xi) change the application of payments as among or between Classes under Section 2.10(h), Section 8.03 or Section 9.01(e) without the written consent of the Required Class Lenders of each Class that is being allocated a lesser prepayment as a result thereof (it being understood that the Required Lenders may waive, in whole or in part, any prepayment so

long as the application, as between Classes, of any portion of such prepayment that is still required to be made is not changed and, if additional Loans or Classes of Loans under this Agreement consented to by the Required Lenders or additional Loans pursuant to Section 2.23 are made, such new loans may be included on a pro rata basis in the various payments required pursuant to Section 2.10(h), Section 8.03, and Section 9.01(e));

(xii) change or waive any provision of ARTICLE X as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the written consent of such Agent;

(xiii) change or waive any obligation of the Lenders relating to the issuance of or purchase of participations in Letters of Credit, without the written consent of the Funding Agent and each relevant Issuing Bank;

(xiv) change or waive any provision hereof relating to Swingline Loans (including the definition of "European Swingline Commitment"), without the written consent of each relevant Swingline Lender; or

(xv) change the criteria set forth in the definitions of "**Eligible Accounts**" or "**Eligible Inventory**" or increase the applicable advance rates which, in either case, has the effect of making more credit available without the written consent of the Supermajority Lenders.

provided, further, that

(1) any waiver, amendment or modification prior to the completion of the primary syndication of the Commitments and Loans (as determined by the Arrangers) may not be effected without the written consent of the Arrangers; and

(2) any waiver, amendment or modification of the Intercreditor Agreement (and any related definitions) may be effected by an agreement or agreements in writing entered into among the Collateral Agent, the Funding Agent, the Term Loan Collateral Agent and the Term Loan Administrative Agent (in each case with the consent of the Required Lenders but without the consent of any Loan Party, so long as such amendment, waiver or modification does not impose any additional duties or obligations on the Loan Parties or alter or impair any right of any Loan Party under the Loan Documents).

(c) Collateral. Without the consent of any other person, the applicable Loan Party or Parties and the Funding Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law.

(d) Dissenting Lenders. If, in connection with any proposed change, waiver, discharge or termination of the provisions of this Agreement as contemplated by Section

11.02(b), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrowers shall have the right, upon notice by the Administrative Borrower to such Lender and the Funding Agent, to replace all, but not less than all, of such non-consenting Lender or Lenders (so long as all non-consenting Lenders are so replaced) with one or more persons pursuant to Section 2.16 so long as at the time of such replacement each such new Lender consents to the proposed change, waiver, discharge or termination. Each Lender agrees that, if the Borrowers elect to replace such Lender in accordance with this Section, it shall promptly execute and deliver to the Funding Agent an Assignment and Assumption to evidence such sale and purchase and shall deliver to the Funding Agent any Note (if Notes have been issued in respect of such Lender's Loans) subject to such Assignment and Assumption; provided that the failure of any such non-consenting Lender to execute an Assignment and Assumption shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register.

(e) Holdings Amalgamation and Increased Commitments. Notwithstanding the foregoing, the Funding Agent and the Borrowers (without the consent of any Lenders) may amend or amend and restate this Agreement and the Loan Documents if necessary or advisable in connection with or to effectuate (i) the Permitted Holdings Amalgamation and (ii) any increase in Commitments contemplated by Section 2.23.

SECTION 11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Administrative Borrower shall pay or cause the applicable Loan Party to pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Canadian Administrative Agent, the Funding Agent, the Canadian Funding Agent, the Collateral Agent, the Arrangers, and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, the Canadian Administrative Agent, the Funding Agent, the Canadian Funding Agent, and/or the Collateral Agent, expenses incurred in connection with due diligence, inventory appraisal and collateral audit and reporting fees, travel, courier, reproduction, printing and delivery expenses, and the obtaining and maintaining of CUSIP numbers for the Loans) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, including any Inventory Appraisal, or in connection with any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including in connection with post-closing searches to confirm that security filings and recordations have been properly made, (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Canadian Administrative Agent, the Funding Agent, the Canadian Funding Agent, the Collateral Agent, any Lender, the Issuing Bank or any Receiver (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Canadian Administrative Agent, the Funding Agent, the Canadian Funding Agent, the Collateral Agent, any Lender, the Issuing Bank or any Receiver), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights

under this Section 11.03, (B) in enforcing, preserving and protecting, or attempting to enforce, preserve or protect its interests in the Collateral or (C) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit and (iv) all documentary and similar taxes and charges in respect of the Loan Documents.

(b) Indemnification by Borrower. Each Loan Party shall indemnify the Administrative Agent (and any sub-agent thereof), the Canadian Administrative Agent (and any sub-agent thereof), the Collateral Agent (and any sub-agent thereof), the Funding Agent (and any sub-agent thereof), the Canadian Funding Agent (and any sub-agent thereof), each Lender and Receiver and the Issuing Bank, and each Related Party of any of the foregoing persons (each such person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all reasonable out-of-pocket losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release or threatened Release of Hazardous Materials on, at, under or from any property owned, leased or operated by any Company at any time, or any Environmental Claim related in any way to any Company, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. WITHOUT LIMITATION OF THE FOREGOING, IT IS THE INTENTION OF THE LOAN PARTIES, AND THE LOAN PARTIES AGREE, THAT THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNITEE WITH RESPECT TO LOSSES, CLAIMS, DAMAGES, PENALTIES, LIABILITIES AND RELATED EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR), WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNITEE.

(c) Reimbursement by Lenders. To the extent that any Loan Party for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section 11.03 to be paid by it to the Administrative Agent (or any sub-agent thereof), Canadian Administrative Agent (or any sub-agent thereof), the Collateral Agent, the Funding Agent (or any sub-agent thereof), the Canadian Funding Agent (or any sub-agent thereof), the Issuing Bank, the Swingline Lender or any Receiver or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Canadian Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof), the Funding Agent (or any such sub-agent), the Canadian Funding Agent (or any sub-agent thereof), the Issuing Bank, the Swingline Lender, such Receiver or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Canadian Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof), the Funding Agent (or any such sub-agent), the Canadian Funding Agent (or any such sub-agent), the Swingline Lender, the Issuing Bank or the Receiver, in each case in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Canadian Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof), the Funding Agent (or any such sub-agent), the Canadian Funding Agent (or any such sub-agent), the Swingline Lender, the Issuing Bank or the Receiver in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.14. For purposes hereof, a Lender's "*pro rata* share" shall be determined based upon its share of the sum of the total Revolving Exposure and unused Commitments at the time.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Requirements of Law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than three (3) Business Days after demand therefor accompanied by reasonable particulars of amounts due.

SECTION 11.04 **Successors and Assigns**.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may (except as a result of a transaction expressly permitted by Section 6.05(c) or (e)) assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the Canadian Administrative Agent, the Collateral Agent, the Funding Agent, the Canadian Funding Agent, each Issuing Bank, each Swingline Lender and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section 11.04, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 11.04 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any Borrower or any Lender shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of any assignment made in connection with the primary syndication of the Commitment and Loans by the Arrangers up to three (3) months after the Closing Date or an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Funding Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall be an integral multiple of $1.0 million and not less than $5.0 million, in the case of any assignment in respect of Revolving Loans and/or Revolving Commitments, unless each of the Funding Agent and, so long as no Event of Default has occurred and is continuing, Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Classes on a non-*pro rata* basis; and

(iii) the parties to each assignment shall execute and deliver to the Funding Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Funding Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Funding Agent pursuant to paragraph (c) of this Section 11.04, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.06(j), Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.21, Section 7.10 and Section 11.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 11.04. In the event of a transfer by novation of all or part of its rights and obligations under this Agreement by a Lender, such Lender expressly reserves the rights, powers, privileges and actions that it enjoys under any Security Documents governed by French law in favor of its Eligible Assignee, in accordance with the provisions of article 1278 *et seq.* of the French *Code civil*.

(c) Register. The Funding Agent, acting solely for this purpose as an agent of the Borrowers, shall, at all times while the Loans and LC Disbursements (or any of them) are outstanding, maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrowers, the Funding Agent, the Issuing Bank and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Issuing Bank, the Collateral Agent, the Swingline Lender and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice. The requirements of this Section 11.04(c) are intended to result in any and all Loans and LC Disbursements being in "registered form" for purposes of Section 871, Section 881 and any other applicable provision of the Code, and shall be interpreted and applied in a manner consistent therewith.

(d) Participations. Except to the extent that participations are limited by Section 11.04(h), any Lender may at any time, without the consent of, or notice to, any Borrower (other than Swiss Borrower to the extent provided in Section 11.04(h)), the Funding Agent, the Issuing Bank or the Swingline Lender, sell participations to any person (other than a natural person or any Borrower, any of any Borrower's or any other Company's Affiliates or

Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) each Loan Party, the Funding Agent and the Lenders and Issuing Bank shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii) or (iii) of the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (e) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Section 2.06(j), Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.21, and Section 7.10 (subject to the requirements of those Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to such sections (as applicable) as though it were a Lender.

(e) Limitations on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.06(j), Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 2.21, and Section 7.10 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Administrative Borrower's prior written consent.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of any Loan Party or the Funding Agent, collaterally assign or pledge all or any portion of its rights under this Agreement, including the Loans and Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Requirement of Law, including the Federal Electronic Signatures in

Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Successors and Assigns of a Loan to Swiss Borrower.

(i) Notwithstanding anything in Sections 11.04(a) — (g), but only so long as no Event of Default shall have occurred and is continuing, no assignment or transfer of all or a portion of any Lender's rights and obligations under this Agreement (including all or a portion of its Commitment or the Loans at the time owing to it, and including assignment by way of security, novation or sub-participations) to a Swiss Non-Qualifying Bank shall be made without the prior written consent of the Swiss Borrower, except that such consent shall be given:

(1) if the transferee is an existing Lender; or

(2) if as a result of a change in Swiss Tax laws, a violation of the Ten Non-Bank Regulations and the Twenty Non-Bank Regulations no longer results in the imposition of Swiss stamp tax and/or Swiss withholding tax; or

(3) if the transfer is exclusively of Canadian Commitments, Canadian Revolving Loans and Canadian LC Exposure.

(ii) Any Lender that enters into a participation or sub-participation in relation to its U.S./European Commitment or Loans in respect thereof shall ensure that, unless an Event of Default shall have occurred and is continuing:

(1) the terms of such participations or sub-participation agreement prohibit the participant or sub-participant from entering into further sub-participation agreements (in relation to the rights between it and such Lender) and transferring, assigning (including by way of security) or granting any interest over the participant or sub-participation agreement, except in each case to a person who is an existing Lender, but subject to the consent contained above in paragraph (i) of this Section 11.04(h);

(2) the identity of the participant or sub-participant is permitted to be disclosed to the Swiss Federal Tax Administration by the Swiss Borrower;

(3) the participant or sub-participant enters into a unilateral undertaking in favor of Swiss Borrower to abide by the terms included in the participations or sub-participation agreement to reflect this Section 11.04(h) and Section 2.21; and

(4) the terms of such participations or sub-participation agreement oblige the participant or sub-participant, in respect of any further sub-participation, assignment, transfer or grant, to include, *mutatis mutandis*, the provisions of this Section, including a requirement that any further sub-participant, assignee or grantee enters into such undertaking and abides by the terms of Section 2.21.

Notwithstanding the foregoing clauses (1) — (4), unless an Event of Default shall have occurred and is continuing, participations or sub-participations in relation to any Lender's U.S./European Commitment or Loans in respect thereof are not permitted unless (x) such participant or sub-

participant is a Swiss Qualifying Bank, (y) the Administrative Borrower consents to such participation or sub-participation or (z) the participation or sub-participation relates solely to Canadian Commitments, Canadian Revolving Loans and Canadian LC Exposure.

(iii) For the avoidance of doubt, nothing in Subsection (ii) above restricts any Lender, participant or sub-participant from entering into any agreement with another person under which payments are made by reference to this Agreement or to any hereto related participation or sub-participation agreement (including without limitation credit default or total return swaps), provided such agreement is not treated as a sub-participation for the purposes of the Ten Non-Bank Regulations and the Twenty Non-Bank Regulations.

SECTION 11.05 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 2.06(j), Section 2.12, Section 2.14, Section 2.15, Section 2.16 , Section 2.21, Section 7.10 and ARTICLE X (other than Section 10.10) shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the payment of the Reimbursement Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06 **Counterparts; Integration; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, any separate letter agreements with respect to fees payable to any Agent or the Arrangers, and any provisions of the Commitment Letter and the Fee Letter that are explicitly stated to survive the execution and delivery of this Agreement (which surviving obligations are hereby assumed by the Borrowers constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Funding Agent and when the Funding Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SECTION 11.07 **Severability**. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08 **Right of Setoff**. Subject to the Intercreditor Agreement, if an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Bank or any such Affiliate to or for the credit or the account of any Borrower or any other Loan Party against any and all of the obligations of such Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the Issuing Bank, irrespective of whether or not such Lender or the Issuing Bank shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify the Administrative Borrower and the Funding Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09 **Governing Law; Jurisdiction; Consent to Service of Process**.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

(b) Submission to Jurisdiction. Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Funding Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Requirements of Law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.09(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Requirements of Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopier, e-mail or other electronic communication) in Section 11.01. Each Loan Party hereby irrevocably designates, appoints and empowers CSC Corporation, 1133 Ave of the Americas, Suite 3100, New York, New York, 10036 (telephone no: 212-299-5600) (telecopy no: 212-299-5656) (electronic mail address: jbudhu@cscinfo.com) (the "**Process Agent**"), in the case of any suit, action or proceeding brought in the United States of America as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of or in connection with this Agreement or any Loan Document Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by applicable Requirements of Law.

SECTION 11.10 Waiver of Jury Trial. Each Loan Party hereby waives, to the fullest extent permitted by applicable Requirements of Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, any other Loan Document or the transactions contemplated hereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any

other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section.

SECTION 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12 Treatment of Certain Information; Confidentiality. Each of Administrative Agent, the Canadian Administrative Agent, the Collateral Agent, the Funding Agent, the Canadian Funding Agent, each other Agent, each Lender, and each Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Loan Party and its obligations or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Lender, (g) with the consent of Administrative Borrower or the applicable Loan Party or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Funding Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties. For purposes of this Section, "**Information**" means all information received from a Loan Party or any of its Subsidiaries relating to the Loan Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Funding Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by any Loan Party or any of their Subsidiaries. Any person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information.

SECTION 11.13 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Funding Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Act**"), it is required to obtain, verify and record information that identifies the Borrowers and the other Loan Parties, which information includes the name, address and tax identification number of the

Borrowers and the other Loan Parties and other information regarding the Borrowers and the other Loan Parties that will allow such Lender or the Funding Agent, as applicable, to identify the Borrowers and the other Loan Parties in accordance with the Act. This notice is given in accordance with the requirements of the Act and is effective as to the Lenders and the Funding Agent.

SECTION 11.14 **Interest Rate Limitation**. Notwithstanding anything to the contrary contained herein, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable Requirements of Law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Requirements of Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Interbank Rate to the date of repayment, shall have been received by such Lender.

SECTION 11.15 **Lender Addendum**. Each Lender to become a party to this Agreement on the date hereof shall do so by delivering to the Funding Agent a Lender Addendum duly executed by such Lender, the Administrative Borrower and the Funding Agent.

SECTION 11.16 **Obligations Absolute**. To the fullest extent permitted by applicable Requirements of Law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;

(b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

SECTION 11.17 **Intercreditor Agreement**. Notwithstanding anything to the contrary contained herein, each Lender acknowledges that the Lien and security interest granted to the Collateral Agent pursuant to the Security Documents and the exercise of any right or remedy by such Collateral Agent thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the Security Documents, the terms of the Intercreditor Agreement shall govern and control.

SECTION 11.18 **Judgment Currency**.

(a) Each Loan Party's obligations hereunder and under the other Loan Documents to make payments in the applicable Approved Currency (pursuant to such obligation, the "**Obligation Currency**") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Funding Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Funding Agent or such Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "**Judgment Currency**") an amount due in the Obligation Currency, the conversion shall be made at the Relevant Currency Equivalent, and in the case of other currencies, the rate of exchange (as quoted by the Funding Agent or if the Funding Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Funding Agent) determined, in each case, as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "**Judgment Currency Conversion Date**").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Borrower covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Relevant Currency Equivalent or any other rate of exchange for this Section 11.18, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 11.19 **Euro**.

(a) If at any time that an Alternate Currency Revolving Loan is outstanding, the relevant Alternate Currency (other than the euro) is fully replaced as the lawful currency of the country that issued such Alternate Currency (the "**Issuing Country**") by the euro so that all payments are to be made in the Issuing Country in euros and not in the Alternate Currency previously the lawful currency of such country, then such Alternate Currency Revolving Loan

shall be automatically converted into a Loan denominated in euros in a principal amount equal to the amount of euros into which the principal amount of such Alternate Currency Revolving Loan would be converted pursuant to law and thereafter no further Loans will be available in such Alternate Currency.

(b) The Canadian Borrower shall, or shall cause the applicable Loan Party from time to time, at the request of any Lender accompanied by reasonably documented particulars thereof, pay to such Lender the amount of any losses, damages, liabilities, claims, reduction in yield, additional expense, increased cost, reduction in any amount payable, reduction in the effective return of its capital, the decrease or delay in the payment of interest or any other return forgone by such Lender or its Affiliates as a result of the tax or currency exchange resulting from the introduction of, changeover to or operation of the euro in any applicable nation or eurocurrency market.

SECTION 11.20 Special Provisions Relating to Currencies Other Than Dollars and Canadian Dollars.

(a) All funds to be made available to Funding Agent pursuant to this Agreement in euros, Swiss francs or GBP shall be made available to Funding Agent in immediately available, freely transferable, cleared funds to such account with such bank in such principal financial center in such Participating Member State (or in London) as Funding Agent shall from time to time nominate for this purpose.

(b) In relation to the payment of any amount denominated in euros, Swiss francs or GBP, Funding Agent shall not be liable to any Loan Party or any of the Lenders for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by Funding Agent if Funding Agent shall have taken all relevant and necessary steps to achieve, on the date required by this Agreement, the payment of such amount in immediately available, freely transferable, cleared funds (in euros, Swiss francs or GBP) to the account with the bank in the principal financial center in the Participating Member State which the Administrative Borrower or, as the case may be, any Lender shall have specified for such purpose. In this Section 11.20(b), "**all relevant steps**" means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing or settlement system as Funding Agent may from time to time determine for the purpose of clearing or settling payments of euros, Swiss francs or GBP. Furthermore, and without limiting the foregoing, Funding Agent shall not be liable to any Loan Party or any of the Lenders with respect to the foregoing matters in the absence of its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision or pursuant to a binding arbitration award or as otherwise agreed in writing by the affected parties).

SECTION 11.21 Abstract Acknowledgment of Indebtedness and Joint Creditorship.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally agrees and covenants with the Collateral Agent by way of an abstract acknowledgment of indebtedness (*abstraktes Schuldversprechen*) that it

owes to the Collateral Agent as creditor in its own right and not as a representative of the other Secured Parties, sums equal to, and in the currency of, each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents and Treasury Services Agreements relating to any Secured Obligations, as and when that amount falls due for payment under the relevant Secured Debt Agreement or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve its entitlement to be paid that amount.

(b) Each Loan Party undertakes to pay to the Collateral Agent upon first written demand the amount payable by such Loan Party to each of the Secured Parties under each of the Secured Debt Agreements as such amount has become due and payable.

(c) The Collateral Agent has the independent right to demand and receive full or partial payment of the amounts payable by each Loan Party under this Section 11.21, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve their entitlement to be paid those amounts.

(d) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.21 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Secured Debt Agreements and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.21; provided that no Loan Party may consider its obligations towards a Secured Party to be so discharged by virtue of any set-off, counterclaim or similar defense that it may invoke vis-à-vis the Collateral Agent.

(e) The rights of the Secured Parties (other than the Collateral Agent) to receive payment of amounts payable by each Loan Party under the Secured Debt Agreements are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.21.

(f) In addition, but without prejudice to the foregoing, the Collateral Agent shall be the joint creditor (together with the relevant Secured Parties) of all obligations of each Loan Party towards each of the Secured Parties under the Secured Debt Agreements.

SECTION 11.22 Special Appointment of Collateral Agent for German Security.

(a) (i) Each Lender that is or will become party to this Agreement hereby appoints the Collateral Agent as trustee (*Treuhaender*) and administrator for the purpose of holding on trust (*Treuhand*), administering, enforcing and releasing the German Security (as defined below) for the Secured Parties, (ii) the Collateral Agent accepts its appointment as a trustee and administrator of the German Security on the terms and subject to the conditions set out in this Agreement and (iii) the Lenders, the Collateral Agent and all other parties to this Agreement agree that, in relation to the German Security, no Lender shall exercise any

independent power to enforce any German Security or take any other action in relation to the enforcement of the German Security, or make or receive any declarations in relation thereto.

(b) To the extent possible, the Collateral Agent shall hold and administer any German Security which is security assigned, transferred or pledged under German law to it as a trustee for the benefit of the Secured Parties, where "**German Security**" means the assets which are the subject of a security document which is governed by German law.

(c) Each Lender hereby authorizes and instructs the Collateral Agent (with the right of sub delegation) to enter into any documents evidencing German Security and to make and accept all declarations and take all actions as it considers necessary or useful in connection with any German Security on behalf of the Secured Parties. The Collateral Agent shall further be entitled to rescind, release, amend and/or execute new and different documents securing the German Security.

(d) The Lenders and the Collateral Agent agree that all rights and claims constituted by the abstract acknowledgment of indebtedness pursuant to this Section 11.22 and all proceeds held by the Collateral Agent pursuant to or in connection with such abstract acknowledgment of indebtedness are held by the Collateral Agent with effect from the date of such abstract acknowledgment of indebtedness in trust for the Secured Parties and will be administered in accordance with the Loan Documents and Treasury Services Agreements relating to any Secured Obligations. The Secured Parties and the Collateral Agent agree further that the respective Loan Party's obligations under such abstract acknowledgment of indebtedness shall not increase the total amount of the Secured Obligations (as defined in the respective agreement governing German Security) and shall not result in any additional liability of any of the Loan Parties or otherwise prejudice the rights of any of the Loan Parties. Accordingly, payment of the obligations under such abstract acknowledgment of indebtedness shall, to the same extent, discharge the corresponding Secured Obligations and vice versa.

SECTION 11.23 Special Appointment of Funding Agent in Relation to South Korea.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally undertakes to pay to the Funding Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents as and when that amount falls due for payment under the relevant Loan Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve its entitlement to be paid that amount.

(b) The Funding Agent shall have its own independent right to demand payment of the amounts payable by each Loan Party under this Section 11.23, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by a Loan Party to the Funding Agent under this Section 11.23 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Loan Documents and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Funding Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.23.

(d) Subject to paragraph (c) above, the rights of the Secured Parties (in each case, other than the Funding Agent) to receive payment of amounts payable by each Loan Party under the Loan Documents are several and are separate and independent from, and without prejudice to, the rights of the Funding Agent to receive payment under this Section 11.23.

SECTION 11.24 **Designation of Collateral Agent under Civil Code of Quebec**. Each of the parties hereto (including each Lender, acting for itself and on behalf of each of its Affiliates which are or become Secured Parties from time to time) confirms the appointment and designation of the Collateral Agent (or any successor thereto) as the person holding the power of attorney (*fondé de pouvoir*) within the meaning of Article 2692 of the Civil Code of Québec for the purposes of the hypothecary security to be granted by the Loan Parties or any one of them under the laws of the Province of Québec and, in such capacity, the Collateral Agent shall hold the hypothecs granted under the laws of the Province of Québec as such *fondé de pouvoir* in the exercise of the rights conferred thereunder. The execution by the Collateral Agent in its capacity as *fondé de pouvoir* prior to the date hereof of any document creating or evidencing any such hypothecs is hereby ratified and confirmed. Notwithstanding the provisions of Section 32 of the Act respecting the special powers of legal persons (Québec), the Collateral Agent may acquire and be the holder of any of the bonds secured by any such hypothec. Each future Secured Party, whether a Lender, an Issuer or a holder of any Secured Obligation, shall be deemed to have ratified and confirmed (for itself and on behalf of each of its Affiliates that are or become Secured Parties from time to time) the appointment of the Collateral Agent as *fondé de pouvoir*.

SECTION 11.25 **Maximum Liability**. Subject to Section 7.08 and Sections 7.11 to 7.14, it is the desire and intent of (i) each U.S. Borrower and each European Loan Party and the U.S./European Lenders**,** and (ii) each Canadian Loan Party and the Canadian Lenders, that, in each case, their respective liability shall be enforced against each U.S. Borrower, European Loan Party or Canadian Loan Party, as applicable, to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. If, however, and to the extent that, the obligations of any U.S. Borrower, European Loan Party or Canadian Loan Party under any Loan Document shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers), then the amount of such U.S. Borrower's obligations (in the case of any invalidity or unenforceability with respect to a U.S. Borrower's obligations), Canadian Loan Party's obligations (in the case of any invalidity or unenforceability with respect to a Canadian Loan Party's obligations) or European Loan Party's obligations (in the case of any invalidity or unenforceability with respect to a European Loan Party's obligations) under the Loan Documents

shall be deemed to be reduced and such U.S. Borrower, European Loan Party or Canadian Loan Party, as applicable, shall pay the maximum amount of the Secured Obligations which would be permissible under applicable law.

ARTICLE XII.

FOREIGN CURRENCY PARTICIPATIONS

SECTION 12.01 U.S./European Revolving Loans; Intra-Lender Issues.

(a) Specified Foreign Currency Participations. Notwithstanding anything to the contrary contained herein, all U.S./European Revolving Loans that are denominated in a Specified Foreign Currency (each, a "**Specified Foreign Currency Loan**") shall be made solely by the U.S./European Lenders (including LaSalle Bank N.A.) who are not Participating Specified Foreign Currency Lenders (as defined below). Each U.S./European Lender acceptable to LaSalle Bank N.A. that does not have Specified Foreign Currency Funding Capacity (a "**Participating Specified Foreign Currency Lender**") shall irrevocably and unconditionally purchase and acquire and shall be deemed to irrevocably and unconditionally purchase and acquire from LaSalle Bank N.A., and LaSalle Bank N.A. shall sell and be deemed to sell to each such Participating Specified Foreign Currency Lender, without recourse or any representation or warranty whatsoever, an undivided interest and participation (a "**Specified Foreign Currency Participation**") in each U.S./European Revolving Loan which is a Specified Foreign Currency Loan funded by LaSalle Bank N.A. in an amount equal to such Participating Specified Foreign Currency Lender's U.S./European Percentage of the Borrowing that includes such U.S./European Revolving Loan. Such purchase and sale of a Specified Foreign Currency Participation shall be deemed to occur automatically upon the making of a Specified Foreign Currency Loan by LaSalle Bank N.A., without any further notice to any Participating Specified Foreign Currency Lender. The purchase price payable by each Participating Specified Foreign Currency Lender to LaSalle Bank N.A. for each Specified Foreign Currency Participation purchased by it from LaSalle Bank N.A. shall be equal to 100% of the principal amount of such Specified Foreign Currency Participation (*i.e.*, the product of (i) the amount of the Borrowing that includes the relevant U.S./European Revolving Loan and (ii) such Participating Specified Foreign Currency Lender's U.S./European Percentage), and such purchase price shall be payable by each Participating Specified Foreign Currency Lender to LaSalle Bank N.A. in accordance with the settlement procedure set forth in Section 12.02 below. LaSalle Bank N.A. and the Funding Agent shall record on their books the amount of the U.S./European Revolving Loans made by LaSalle Bank N.A. and each Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation and Funded Specified Foreign Currency Participation therein, all payments in respect thereof and interest accrued thereon and all payments made by and to each Participating Specified Foreign Currency Lender pursuant to this Section 12.01.

SECTION 12.02 Settlement Procedure for Specified Foreign Currency Participations. Each Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation in the Specified Foreign Currency Loans shall be in an amount equal to its U.S./European Percentage of all such Specified Foreign Currency Loans. However, in order to facilitate the administration of the Specified Foreign Currency Loans made by LaSalle Bank

N.A. and the Specified Foreign Currency Participations, settlement among LaSalle Bank N.A. and the Participating Specified Foreign Currency Lenders with regard to the Participating Specified Foreign Currency Lenders' Specified Foreign Currency Participations shall take place in accordance with the following provisions:

(i) LaSalle Bank N.A. and the Participating Specified Foreign Currency Lenders shall settle (a "**Specified Foreign Currency Participation Settlement**") by payments in respect of the Specified Foreign Currency Participations as follows: So long as any Specified Foreign Currency Loans are outstanding, Specified Foreign Currency Participation Settlements shall be effected upon the request of LaSalle Bank N.A. through the Funding Agent on such Business Days as requested by LaSalle Bank N.A. and as the Funding Agent shall specify by a notice by telecopy, telephone or similar form of notice to each Participating Specified Foreign Currency Lender requesting such Specified Foreign Currency Participation Settlement (each such date on which a Specified Foreign Currency Participation Settlement occurs herein called a "**Specified Foreign Currency Participation Settlement Date**"), such notice to be delivered no later than 2:00 p.m. (Chicago time) at least one Business Day prior to the requested Specified Foreign Currency Participation Settlement Date; provided that LaSalle Bank N.A. shall have the option but not the obligation to request a Specified Foreign Currency Participation Settlement Date and, in any event, shall not request a Specified Foreign Currency Participation Settlement Date prior to the occurrence of an Event of Default; provided further, that if (x) such Event of Default is cured or waived in writing in accordance with the terms hereof, (y) no Obligations have yet been declared due and payable under Article 8 (or a rescission has occurred under Section 8.02) and (z) the Funding Agent has actual knowledge of such cure or waiver, all prior to the Funding Agent's giving notice to the Participating Specified Foreign Currency Lenders of the first Specified Foreign Currency Participation Settlement Date under this Agreement, then the Funding Agent shall not give notice to the Participating Specified Foreign Currency Lenders of a Specified Foreign Currency Participation Settlement Date based upon such cured or waived Event of Default. If on any Specified Foreign Currency Participation Settlement Date the total principal amount of the Specified Foreign Currency Loans made or deemed made by LaSalle Bank N.A. during the period ending on (but excluding) such Specified Foreign Currency Participation Settlement Date and commencing on (and including) the immediately preceding Specified Foreign Currency Participation Settlement Date (or the Closing Date in the case of the period ending on the first Specified Foreign Currency Participation Settlement Date) (each such period herein called a "**Specified Foreign Currency Participation Settlement Period**") is greater than the principal amount of Specified Foreign Currency Loans repaid during such Specified Foreign Currency Participation Settlement Period to LaSalle Bank N.A., each Participating Specified Foreign Currency Lender shall pay to LaSalle Bank N.A. (through the Funding Agent), no later than 11:00 a.m. (Chicago time) on such Specified Foreign Currency Participation Settlement Date, an amount equal to such Participating Specified Foreign Currency Lender's ratable share of the amount of such excess. If in any Specified Foreign Currency Participation Settlement Period the outstanding principal amount of the Specified Foreign Currency Loans repaid to LaSalle Bank N.A. in such period exceeds the total principal amount of the Specified Foreign Currency Loans made or deemed made by LaSalle Bank N.A. during such period, LaSalle Bank N.A. shall pay to each Participating Specified Foreign Currency Lender (through the Funding Agent) on such Specified Foreign Currency Participation Settlement Date an amount equal to such Participating Specified Foreign Currency Lender's ratable share of such excess. Specified Foreign Currency Participation Settlements in respect of

Specified Foreign Currency Loans shall be made in the respective Approved Currency in which such Specified Foreign Currency Loan was funded on the Specified Foreign Currency Participation Settlement Date for such Specified Foreign Currency Loans.

(ii) If any Participating Specified Foreign Currency Lender fails to pay to LaSalle Bank N.A. on any Specified Foreign Currency Participation Settlement Date the full amount required to be paid by such Participating Specified Foreign Currency Lender to LaSalle Bank N.A. on such Specified Foreign Currency Participation Settlement Date in respect of such Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation (such Participating Specified Foreign Currency Lender's "**Specified Foreign Currency Participation Settlement Amount**") with LaSalle Bank N.A., LaSalle Bank N.A. shall be entitled to recover such unpaid amount from such Participating Specified Foreign Currency Lender, together with interest thereon (in the same respective currency or currencies as the relevant Specified Foreign Currency Loans) at the Base Rate plus 2.00%. Without limiting LaSalle Bank N.A.'s rights to recover from any Participating Specified Foreign Currency Lender any unpaid Specified Foreign Currency Participation Settlement Amount payable by such Participating Specified Foreign Currency Lender to LaSalle Bank N.A., the Funding Agent shall also be entitled to withhold from amounts otherwise payable to such Participating Specified Foreign Currency Lender an amount equal to such Participating Specified Foreign Currency Lender's unpaid Specified Foreign Currency Participation Settlement Amount owing to LaSalle Bank N.A. and apply such withheld amount to the payment of any unpaid Specified Foreign Currency Participation Settlement Amount owing by such Participating Specified Foreign Currency Lender to LaSalle Bank N.A.

(iii) (a) A Participating Specified Foreign Currency Lender which has a Funded Specified Foreign Currency Participation shall be entitled to receive interest on such Funded Specified Foreign Currency Participation to the same extent as if such Specified Foreign Currency Lender was the direct holder of the portion of the Loan in which it purchased a Specified Foreign Currency Participation (it being agreed that, promptly upon the receipt by LaSalle Bank N.A. or any of its Affiliates of any interest in respect of any Loan in which a Participating Specified Foreign Currency Lender has a Funded Specified Foreign Currency Participation, LaSalle Bank N.A. will pay or cause to be paid to such Participating Foreign Currency Lender its ratable share of such interest in immediately available funds) and (b) for purposes of determining the Lenders comprising the "Required Lenders", the "Required Class Lenders" and the "Supermajority Lenders" from and after the termination of the Commitments, (i) the Revolving Exposure of a Lender that is a Participating Specified Foreign Currency Lender shall be deemed to include the amount of the sum of each Specified Foreign Currency Participation of such Participating Specified Foreign Currency Lender and (ii) the amount of the Revolving Exposure of LaSalle Bank N.A. and its affiliates shall be reduced by an amount equal to the sum of each Specified Foreign Currency Participation of such Participating Specified Foreign Currency Lender.

(iv) If any Specified Foreign Currency Loans convert to dollars pursuant to Section 2.09, a Specified Foreign Currency Participation Settlement Date shall be deemed to automatically occur on the date of such conversion and LaSalle Bank N.A. shall receive an amount expressed in the respective Alternate Currency immediately prior to such conversion.

SECTION 12.03 **Obligations Irrevocable**. The obligations of each Participating Specified Foreign Currency Lender to purchase from LaSalle Bank N.A. a participation in each Specified Foreign Currency Loan made by LaSalle Bank N.A. and to make payments to LaSalle Bank N.A. with respect to such participation, in each case as provided herein, shall be irrevocable and not subject to any qualification or exception whatsoever, including any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents or of any Loans, against the Borrowers or any other Loan Party;

(ii) the existence of any claim, setoff, defense or other right which the Borrowers or any other Loan Party may have at any time against the Funding Agent, any Participating Specified Foreign Currency Lender, or any other Person, whether in connection with this Agreement, any Specified Foreign Currency Loans, the transactions contemplated herein or any unrelated transactions;

(iii) any application or misapplication of any proceeds of any Specified Foreign Currency Loans;

(iv) the surrender or impairment of any security for any Specified Foreign Currency Loans;

(v) the occurrence of any Default or Event of Default;

(vi) the commencement or pendency of any events specified in Section 8.01(g) or (h), in respect of the Borrowers, Holdings or any of its Subsidiaries or any other Person; or

(vii) the failure to satisfy the applicable conditions precedent set forth in Article 4.

SECTION 12.04 **Recovery or Avoidance of Payments**. In the event any payment by or on behalf of any Borrower or any other Loan Party received by the Funding Agent with respect to any Specified Foreign Currency Loan made by LaSalle Bank N.A. is thereafter set aside, avoided or recovered from the Funding Agent in connection with any insolvency proceeding or due to any mistake of law or fact, each Participating Specified Foreign Currency Lender shall, upon written demand by the Funding Agent, pay to LaSalle Bank N.A. (through the Funding Agent) such Participating Specified Foreign Currency Lender's U.S./European Percentage of such amount set aside, avoided or recovered, together with interest at the rate and in the currency required to be paid by LaSalle Bank N.A. or the Funding Agent upon the amount required to be repaid by it.

SECTION 12.05 **Indemnification by Lenders**. Each Participating Specified Foreign Currency Lender agrees to indemnify LaSalle Bank N.A. (to the extent not reimbursed by the Borrowers and without limiting the obligations of the Borrowers hereunder or under any other Loan Document) ratably for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against LaSalle Bank N.A. in any way relating to or arising out of any Specified Foreign Currency Loans or any

action taken or omitted by LaSalle Bank N.A. in connection therewith; provided that no Participating Specified Foreign Currency Lender shall be liable for any of the foregoing to the extent it arises from the gross negligence or willful misconduct of LaSalle Bank N.A. (as determined by a court of competent jurisdiction in a final non-appealable judgment). Without limiting the foregoing, each Participating Specified Foreign Currency Lender agrees to reimburse LaSalle Bank N.A. promptly upon demand for such Participating Specified Foreign Currency Lender's ratable share of any costs or expenses payable by the Borrowers to LaSalle Bank N.A. in respect of the Specified Foreign Currency Loans to the extent that LaSalle Bank N.A. is not promptly reimbursed for such costs and expenses by the Borrowers. The agreement contained in this Section 12.05 shall survive payment in full of all Specified Foreign Currency Loans.

SECTION 12.06 **Specified Foreign Currency Loan Participation Fee**. In consideration for each Participating Specified Foreign Currency Lender's participation in the Specified Foreign Currency Loans made by LaSalle Bank N.A., LaSalle Bank N.A. agrees to pay to the Funding Agent for the account of each Participating Specified Foreign Currency Lender, as and when LaSalle Bank N.A. receives payment of interest on its Specified Foreign Currency Loans, a fee (the "**Specified Foreign Currency Participation Fee**") at a rate per annum equal to the Applicable Margin on such Specified Foreign Currency Loans minus 0.25% on the unfunded Specified Foreign Currency Participation of such Participating Specified Foreign Currency Lender in such Specified Foreign Currency Loans of LaSalle Bank N.A. The Specified Foreign Currency Participation Fee in respect of any unfunded Specified Foreign Currency Participation in a Specified Foreign Currency Loan shall be payable to the Funding Agent in the Alternate Currency in which the respective Specified Foreign Currency Loan was funded when interest on such Specified Foreign Currency Loan is received by LaSalle Bank N.A. If LaSalle Bank N.A. does not receive payment in full of such interest, the Specified Foreign Currency Participation Fee in respect of the unfunded Specified Foreign Currency Participation in such Specified Foreign Currency Loans shall be reduced proportionately. Any amounts payable under this Section 12.06 by the Funding Agent to the Participating Specified Foreign Currency Lenders shall be paid in the Alternate Currency in which the respective Specified Foreign Currency Loan was funded (or, if different, the currency in which such interest payments are actually received).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NOVELIS INC., as Canadian Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

NOVELIS CORPORATION, as U.S. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS PAE CORPORATION, as U.S. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS FINANCES USA LLC, as U.S. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS SOUTH AMERICA HOLDINGS LLC,
as U.S. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

ALUMINUM UPSTREAM HOLDINGS LLC, as
U.S. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

NOVELIS UK LTD, as U.K. Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS AG, as Swiss Borrower

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS CAST HOUSE TECHNOLOGY LTD.,
as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

4260848 CANADA INC., as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

4260856 CANADA INC., as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS NO. 1 LIMITED PARTNERSHIP, as
Canadian Guarantor,

By: 4260848 CANADA INC.
Its: General Partner

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS EUROPE HOLDINGS LIMITED., as U.K. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS DEUTSCHLAND GMBH, as German Guarantor

By: /s/ Gottfried Weindl
Name: Gottfried Weindl
Title: Managing Director

NOVELIS SWITZERLAND SA, as Swiss Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS TECHNOLOGY AG, as Swiss Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

Present when the Common Seal of

NOVELIS ALUMINIUM HOLDING COMPANY,

was hereunto affixed in the presence of:

Name: /s/ Andreas Thiele
Title: Duly appointed attorney

Name: /s/ Eva Paus-Werdermann
Title: Assistant to Legal Counsel

NOVELIS DO BRASIL LTDA., as Brazilian Guarantor

By: /s/ Tadeu Nardocci
Name: Antonio Tadeu Coelho Nardocci
Title: Presidente

By: /s/ Alexandre Almeida
Name: Alexandre M. Almeida
Title: Director Financeiro

AV ALUMINUM INC., as Guarantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

ABN AMRO BANK N.V., as Administrative Agent, U.S./European Issuing Bank, Swingline Lender, Joint Lead Arranger, Joint Bookrunner and as Lender

By: /s/ James Moyes
Name: James L. Moyes
Title: Managing Director

LASALLE BUSINESS CREDIT, LLC, as Collateral Agent and as Funding Agent

By: /s/ Steve Friedlander
Name: Steve Friedlander
Title: S.V.P.

ABN AMRO BANK N.V., acting through its Canadian branch, as Canadian Administrative Agent, Canadian Funding Agent, Canadian Issuing Bank and as Lender

By: /s/ Lawrence Maloney
Name: Lawrence J. Maloney
Title: Country Executive

By: /s/ Michael Quinn
Name: Michael D. Quinn
Title: Vice President

ABN AMRO INCORPORATED, as Joint Lead Arranger and Joint Bookmanager

By: /s/ David Wood
Name: David Wood
Title: Managing Director

UBS SECURITIES LLC, as Syndication Agent

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

BANK OF AMERICA, N.A., as Documentation Agent

By: /s/ Stephen Y. McGehee
Name: Stephen Y. McGehee
Title: Senior Vice President

NATIONAL CITY BUSINESS CREDIT, INC., as Documentation Agent

By: /s/ Michael P. McNeirney
Name: Michael P. McNeirney
Title: Vice President

CIT BUSINESS CREDIT CANADA INC., as Documentation Agent

By: /s/ Dennis McCluskey
Name: E. Dennis McCluskey
Title: President & CEO

By: /s/ Darryl Lalach
Name: Darryl Lalach
Title: Treasurer & V.P. Operations

UBS SECURITIES LLC, as Joint Lead Arranger
and Joint Bookmanager

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ David Julie
Name: David B. Julie
Title: Associate Director

Annex I

Applicable Margin

Average Quarterly Excess Availability	Eurocurrency	EURIBOR	ABR	Canadian Base Rate	BA Rate
Level I **Greater than or equal to $575 million**	1.00%	1.00%	(0.25%)	(0.25%)	1.00%
Level II **Less than $575 million and equal to or greater than $375 million**	1.25%	1.25%	0.00%	0.00%	1.25%
Level III **Less than $375 million and equal to or greater than $175 million**	1.50%	1.50%	0.25%	0.25%	1.50%
Level IV **Less than $175 million**	1.75%	1.75%	0.50%	0.50%	1.75%

Each change in the Applicable Margin resulting from a change in Average Quarterly Excess Availability shall be effective with respect to all Loans and Letters of Credit outstanding on and after the first day of each fiscal quarter of the Canadian Borrower until the last day of each such fiscal quarter of the Canadian Borrower. Notwithstanding the foregoing, (i) Average Quarterly Excess Availability shall be deemed to be in Level II from the Closing Date to December 31, 2007, and (ii) Quarterly Excess Availability shall be deemed to be in Level IV at any time (A) any principal of or interest on any Loan or any fee or other amount payable by the Loan Parties hereunder has not been paid when due, whether at stated maturity, upon acceleration or otherwise and for so long as such amounts have not been paid, or (B) during the existence of an Event of Default of the type described in Section 8.01(g) or Section 8.01(h).

Annex II

Mandatory Cost Formula

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Funding Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Funding Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Funding Agent. This percentage will be certified by that Lender in its notice to the Funding Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Funding Agent as follows:

(a) in relation to a GBP Denominated Loan:

$$\frac{AB + C(B - D) + E \text{ x } 0.01}{100 - (A + C)} \text{ per cent. per annum}$$

(b) in relation to a Loan in any currency other than GBP:

$$\frac{E \text{ x } 0.01}{300} \text{ per cent. per annum.}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in Section 2.06(f)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Funding Agent (or such other bank as may be designated by the Funding Agent in consultation with Borrower) on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Funding Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Funding Agent pursuant to paragraph 7 below and expressed in GBP per £1,000,000.

5. For the purposes of this Schedule:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Facility Office**" means the office or offices notified by a Lender to the Funding Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement;

(c) "**Fees Rules**" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(d) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate);

(e) "**Reference Banks**" means, in relation to each of the LIBOR Rate and the EURIBOR Rate and Mandatory Cost, the principal office in Chicago, Illinois of LaSalle Bank N.A., or such other bank or banks as may be designated by the Funding Agent in consultation with Borrower;

(f) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules; and

(g) "**Unpaid Sum**" means any sum due and payable but unpaid by any Loan Party under the Loan Documents.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Funding Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Funding Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority

(calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in GBP per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Funding Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Funding Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Funding Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Funding Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Funding Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Funding Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Funding Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Funding Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

13. The Funding Agent may from time to time, after consultation with Borrower and the Lenders, determine and notify to all parties to this Agreement any amendments which are required to be made to this Annex II in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

SCHEDULE 1.01(c)

APPLICABLE JURISDICTION REQUIREMENTS

1. No later than 30 days (or such longer period as to which the Funding Agent may agree) following the date that the Funding Agent gives notice to the Administrative Borrower requiring compliance with the requirements set forth in Section 1690 of the French Civil Code in respect of Accounts governed by the laws of France or owed by Account Debtors located in France, the Funding Agent shall (a) be satisfied that the applicable Borrowers and Borrowing Base Guarantors shall have complied with such requirements or (b) have received an opinion (from a firm satisfactory to the Funding Agent in form and substance satisfactory to the Funding Agent addressing such matters a the Funding Agent may reasonably request) that includes a conclusion to the effect that the Accounts have been duly assigned and are beyond the reach of any assignor's creditors irrespective of compliance with such notice requirements of the French Civil Code.

2. To the extent requested by the Funding Agent or the Collateral Agent, notification to and, if required, consent from such Account Debtors located in such jurisdictions or whose Accounts are governed by the law of such jurisdictions, as may be requested from time to time.

Exhibit 10.2

EXECUTION COPY

$960,000,000

CREDIT AGREEMENT

dated as of July 6, 2007,

among

NOVELIS INC.,
as Canadian Borrower,

NOVELIS CORPORATION
as U.S. Borrower,

AV ALUMINUM INC.,
as Holdings,

and

THE OTHER GUARANTORS PARTY HERETO,

THE LENDERS PARTY HERETO,

UBS AG, STAMFORD BRANCH,
as Administrative Agent and as Collateral Agent,

UBS SECURITIES LLC,
as Syndication Agent,

ABN AMRO INCORPORATED,
as Documentation Agent,

and

UBS SECURITIES LLC,
ABN AMRO INCORPORATED,
as Joint Lead Arrangers and Joint Bookmanagers

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CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**"), dated as of July 6, 2007, is among NOVELIS INC., a corporation formed under the Canada Business Corporations Act (the "**Canadian Borrower**"), NOVELIS CORPORATION, a Texas corporation (the "**U.S. Borrower**" and, together with Canadian Borrower, the "**Borrowers**"), AV ALUMINUM INC., a corporation formed under the Canada Business Corporations Act, the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, UBS AG, STAMFORD BRANCH, as administrative agent (in such capacity, "**Administrative Agent**") for the Lenders, UBS AG, STAMFORD BRANCH, as collateral agent (in such capacity, "**Collateral Agent**") for the Secured Parties, UBS SECURITIES LLC, as syndication agent (in such capacity, "**Syndication Agent**"), ABN AMRO INCORPORATED, as documentation agent (in such capacity, "**Documentation Agent**"), and UBS SECURITIES LLC and ABN AMRO INCORPORATED, as joint lead arrangers and joint bookmanagers (in such capacities, "**Arrangers**").

WITNESSETH:

WHEREAS, Holdings, Canadian Borrower, a direct Wholly Owned Subsidiary of Holdings, and Hindalco Industries Limited ("**Acquiror**") entered into that certain Arrangement Agreement, dated as of February 10, 2007 (as amended, supplemented or otherwise modified from time to time, together with any annexes, schedules, exhibits or other attachments thereto, the "**Acquisition Agreement**"), pursuant to which Holdings agreed to acquire Canadian Borrower via a plan of arrangement under Section 192 of the Canada Business Corporations Act (the "**Hindalco Acquisition**").

WHEREAS, the Hindalco Acquisition closed on the Acquisition Closing Date.

WHEREAS, the Borrowers have requested the Lenders to extend credit in the form of Term Loans on the Closing Date in an aggregate principal amount not in excess of $960 million, consisting of (i) U.S. Term Loans in an aggregate principal amount not in excess of $660 million and (ii) Canadian Term Loans in an aggregate principal amount not in excess of $300 million.

WHEREAS, the proceeds of the Loans are to be used in accordance with Section 3.12.

WHEREAS, Holdings, Canadian Borrower, the U.S. Borrower and the other Subsidiary Guarantors party thereto shall enter into the Revolving Credit Agreement providing for Revolving Credit Loans at any time and from time to time prior to the Revolving Credit Maturity Date in the aggregate principal amount of up to $800 million simultaneously herewith.

NOW, THEREFORE, the Lenders are willing to extend such Term Loans to the Borrowers on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 **Defined Terms**. As used in this Agreement (including the preamble), the following terms shall have the meanings specified below:

"**ABN AMRO**" shall mean ABN AMRO Bank N.V.

"**ABR**", when used in reference to any Loan or Borrowing, is used when such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"**ABR Borrowing**" shall mean a Borrowing comprised of ABR Loans.

"**ABR Loan**" shall mean any Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of ARTICLE II.

"**Accounts**" shall mean all "accounts," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which such Person now or hereafter has rights.

"**Acquiror**" shall have the meaning assigned to such term in the recitals hereto.

"**Acquisition**" shall mean any transaction or series of related transactions for the direct or indirect (a) acquisition of all or substantially all of the property and assets or business of any person, or of any business unit, line of business or division of any person or assets constituting a business unit, line of business or division of any other person, (b) acquisition of in excess of 50% of the Equity Interests of any person or otherwise causing a person to become a Subsidiary of the acquiring person, or (c) merger, consolidation or amalgamation, whereby a person becomes a Subsidiary of the acquiring person, or any other consolidation with any person, whereby a person becomes a Subsidiary of the acquiring person.

"**Acquisition Agreement**" shall have the meaning assigned to such term in the recitals hereto.

"**Acquisition Closing Date**" shall mean May 15, 2007.

"**Acquisition Consideration**" shall mean the purchase consideration for any Permitted Acquisition, whether paid in cash, properties, any assumption of Indebtedness or otherwise (other than by the issuance of Qualified Capital Stock of Holdings permitted to be issued hereunder) and whether payable at or prior to the consummation of such Permitted Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and includes any and all payments representing "earn-outs" and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; provided that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if

any, required under GAAP at the time of such sale to be established in respect thereof by Holdings or any of its Subsidiaries.

"**Acquisition Documents**" shall have the meaning assigned to such term in Section 3.21.

"**Acquisition Material Adverse Effect**" shall mean any change, effect, event, occurrence, state of facts or development which individually or in the aggregate (a) is or would reasonably be expected to be materially adverse to the business, operations, results of operations, affairs, liabilities or obligations (whether absolute, accrued, conditional, contingent or otherwise), capitalization or financial condition of Canadian Borrower and its Subsidiaries, taken as a whole; or (b) is or would reasonably be expected to impair in any material respect the ability of Canadian Borrower to consummate the transactions contemplated by the Acquisition Agreement or to perform its obligations under the Acquisition Agreement on a timely basis; provided that none of the following shall be deemed, either individually or in the aggregate, to constitute an Acquisition Material Adverse Effect: any change, effect, event, occurrence, state of facts or development (A) in the financial, banking, credit, securities, or commodities markets, the economy in general or prevailing interest rates of the United States, Canada or any other jurisdiction, where Canadian Borrower or any of its Subsidiaries has operations or significant revenues, (B) in any industry in which Canadian Borrower or any of its Subsidiaries operates, (C) in Canadian Borrower's stock price or trading volume (provided that this clause (C) shall not be construed as providing that any cause or factor affecting Canadian Borrower's stock price or trading volume does not constitute an Acquisition Material Adverse Effect), (D) arising as a result of a change in U.S. GAAP or regulatory accounting principles or interpretations thereof after the date hereof, (E) in Law (as defined in the Acquisition Agreement as of the Acquisition Closing Date) or interpretations thereof by any Governmental Entity (as defined in the Acquisition Agreement as of the Acquisition Closing Date), (F) arising or resulting from the announcement of the Acquisition Agreement, the pendency of the transactions contemplated therein and in the Plan of Arrangement (as defined in the Acquisition Agreement as of the Acquisition Closing Date), (G) arising or resulting from any failure by Canadian Borrower to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that this clause (G) shall not be construed as providing that any cause or factor giving rise to such failure does not constitute an Acquisition Material Adverse Effect), (H) any continuation of an adverse trend or condition or the escalation of, or any developments with respect to, any dispute referred to on Schedule 3.07 of Canadian Borrower Disclosure Schedule to the Acquisition Agreement on the Acquisition Closing Date, (I) arising or resulting from any act of war or terrorism (or, in each case, escalation thereof) or declaration of a national emergency, or (J) arising or resulting from the acts or omissions of Acquiror and/or its Affiliates, as determined immediately prior to the Acquisition Closing Date; except in the cases of clauses (A), (B) and (I), to the extent such change, effect, event, occurrence, state of facts or development has or would reasonably be expected to have a disproportionate effect on Canadian Borrower and its Subsidiaries, taken as a whole, as compared to other persons in the industries in which Canadian Borrower and its Subsidiaries operate unless such disproportionate change, effect, event, occurrence, state of facts or development arises from any metal price ceiling in any of Canadian Borrower's customer contracts.

"**Additional Subordinated Debt Loan**" shall mean any loan, advance or other extension of credit extended by the Acquiror or any of its Affiliates (other than any Subsidiary of

Holdings) to Holdings having the same subordination terms as the subordination terms applicable to the Subordinated Debt Loan as in effect on the Closing Date; provided that such loan, advance or extension of credit shall be unsecured Indebtedness of Holdings, (i) with respect to which no Borrower or Subsidiary has any Contingent Obligation, (ii) that will not mature prior to the 180th day following the Final Maturity Date, (iii) that has no scheduled amortization of principal prior to the 180th day following the Final Maturity Date, (iv) that does not require any payments in cash of interest, principal or other amounts prior to the 180th day following the Final Maturity Date, and (v) that has no mandatory prepayment, repurchase or redemption requirements; and provided, further, that at least five Business Days prior to the time of incurrence of such Indebtedness (or such shorter period as the Administrative Agent may agree), a Responsible Officer of Holdings delivers a certificate to the Administrative Agent (together with drafts of the documentation relating thereto) stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Adjusted LIBOR Rate**" shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Administrative Agent to be equal to the sum of (a) (i) the LIBOR Rate for such Eurocurrency Borrowing in effect for such Interest Period divided by (ii) 1 minus the Statutory Reserves (if any) for such Eurocurrency Borrowing for such Interest Period plus, (b) without duplication of any increase in interest rate attributable to Statutory Reserves pursuant to the foregoing clause (ii), the Mandatory Cost (if any).

"**Administrative Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X.

"**Administrative Borrower**" shall mean Novelis Inc., or any successor entity serving in that role pursuant to Section 2.03(b).

"**Administrative Questionnaire**" shall mean an Administrative Questionnaire in substantially the form of Exhibit A.

"**Affiliate**" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; provided, however, that, for purposes of Section 6.09, the term "Affiliate" shall also include (i) any person that directly or indirectly owns more than 15% of any class of Equity Interests of the person specified or (ii) any person that is an executive officer or director of the person specified.

"**Agents**" shall mean the Administrative Agent and the Collateral Agent; and "Agent" shall mean any of them.

"**Agreement**" shall have the meaning assigned to such term in the preamble hereto.

"**Alternate Base Rate**" shall mean, for any day, a rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the greater of (a) the Base Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 0.50%. If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason,

including the inability of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Base Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Base Rate or the Federal Funds Effective Rate, respectively.

"**Anti-Terrorism Laws**" shall have the meaning assigned to such term in Section 3.22.

"**Applicable Margin**" shall mean, for any day, with respect to any Term Loan the applicable percentage set forth in Annex I under the appropriate caption.

"**Approved Fund**" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Approved Member State**" shall mean Belgium, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Spain, Sweden and the United Kingdom.

"**Arrangers**" shall have the meaning assigned to such term in the preamble hereto.

"**Asset Sale**" shall mean (a) any conveyance, sale, lease, sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of any property, excluding (i) sales of Inventory and dispositions of cash and Cash Equivalents, in each such excluded case, which are in the ordinary course of business, by Holdings or any of its Subsidiaries, and (ii) sales of Accounts pursuant to the Receivables Purchase Agreement by any Loan Party or (b) any issuance or sale of any Equity Interests of any Subsidiary of Holdings; provided that such issuances or sales of Equity Interests to Companies other than Holdings shall constitute Asset Sales only for purposes of Section 6.06.

"**Asset Swap**" shall mean the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between any Company and another person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 2.10(c).

"**Assignment and Assumption**" shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.04(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B, or any other form approved by the Administrative Agent.

"**Attributable Indebtedness**" shall mean, when used with respect to any Sale and Leaseback Transaction, as at the time of determination, the present value (discounted at the rate implicit in the lease) of the total obligations of the lessee for rental payments during the remaining term of the lease included in any such Sale and Leaseback Transaction.

"**Auditor's Determination**" shall have the meaning assigned to such term in Section 7.11(b).

"**AV Aluminum**" shall mean AV Aluminum Inc., a corporation formed under the Canada Business Corporations Act.

"**AV Metals**" shall mean AV Metals, Inc., a corporation formed under the Canada Business Corporations Act.

"**Available Amount**" shall have the meaning assigned to such term in Section 7.12(a).

"**Base Rate**" shall mean, for any day, a rate per annum that is equal to the corporate base rate of interest established by the Administrative Agent from time to time; each change in the Base Rate shall be effective on the date such change is effective. The corporate base rate is not necessarily the lowest rate charged by the Administrative Agent to its customers.

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

"**Borrowers**" shall have the meaning assigned to such term in the preamble hereto. Unless the context otherwise requires, and subject to Section 11.25, each reference in this Agreement to "each Borrower" or "the applicable Borrower" shall be deemed to be a reference to (x) the U.S. Borrower and/or (y) Canadian Borrower, as the case may be.

"**Borrowing**" shall mean Loans to the U.S. Borrower or Canadian Borrower, in each case, of the same Class and Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

"**Borrowing Request**" shall mean a request by a Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

"**Brazilian Guarantor**" shall mean each Subsidiary of Holdings organized in Brazil party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Brazil that is required to become a Guarantor pursuant to the terms hereof.

"**Brazilian Security Agreements**" shall mean, collectively, any Security Agreements substantially in the form of Exhibits M-7-1 to 5 among the Brazilian Guarantor and the Collateral Agent for the benefit of the Secured Parties.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks in New York City are authorized or required by law to close; provided, however, that when used in connection with notices and determinations in connection with, and payments of principal and interest on or with respect to, a Eurocurrency Loan, the term "Business Day" shall

also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"**Canadian Borrower**" shall have the meaning assigned to such term in the preamble hereto.

"**Canadian Guarantor**" shall mean Holdings and each Subsidiary of Holdings organized in Canada (other than Canadian Borrower) party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Canada that is required to become a Guarantor pursuant to the terms hereof.

"**Canadian Loan Parties**" shall mean Canadian Borrower and the Canadian Guarantors.

"**Canadian Term Loan**" shall have the meaning assigned to such term in Section 2.01(b).

"**Canadian Term Loan Commitment**" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Canadian Term Loans hereunder up to the amount set forth on Schedule I to the Lender Addendum executed and delivered by such Lender directly under the column entitled "Canadian Term Loan Commitment" or in an Increase Joinder. The aggregate amount of the Lenders' Canadian Term Loan Commitments on the Closing Date is $300 million.

"**Canadian Security Agreement**" shall mean the Security Agreements substantially in the form of Exhibits M-2-1 to 6 among the Canadian Loan Parties and the Collateral Agent for the benefit of the Secured Parties.

"**Capital Assets**" shall mean, with respect to any person, all equipment, fixed assets and Real Property or improvements of such person, or replacements or substitutions therefor or additions thereto, that, in accordance with GAAP, have been or should be reflected as additions to property, plant or equipment on the balance sheet of such person.

"**Capital Expenditures**" shall mean, for any period, without duplication, all expenditures made directly or indirectly by Canadian Borrower and its Subsidiaries during such period for Capital Assets (whether paid in cash or other consideration, financed by the incurrence of Indebtedness or accrued as a liability), together with Canadian Borrower's proportionate share of such amounts for Norf GmbH for such period, but in each case excluding any portion of such expenditures constituting the Acquisition Consideration for acquisitions of property, plant and equipment in Permitted Acquisitions or paid for with insurance proceeds.

"**Capital Lease Obligations**" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"**Cash Equivalents**" shall mean, as to any person, (a) securities issued or fully guaranteed or insured by the federal government of the United States, Canada, Switzerland, any Approved Member State or any agency of the foregoing, (b) marketable direct obligations issued by any state of the United States or the District of Columbia or any political subdivision or instrumentality thereof that, at the time of the acquisition, are rated at least "A-2" by S&P or "P-2" by Moody's, (c) certificates of deposit, eurocurrency time deposits, overnight bank deposits and bankers' acceptances of any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any non-U.S. bank, or its branches or agencies (fully protected against currency fluctuations) that, at the time of acquisition, are rated at least "A-2" by S&P or "P-2" by Moody's, (d) commercial paper of an issuer rated at least "A-2" by S&P or "P-2" by Moody's, (e) shares of any money market fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (a), (b) and (c) above, (ii) has net assets, Dollar Equivalent of which exceeds $500,000,000 and (iii) is rated at least "A-2" by S&P or "P-2" by Moody's; provided, however, that the maturities of all obligations of the type specified in clauses (a), (b) and (c) above shall not exceed 365 days; provided, further, that, to the extent any cash is generated through operations in a jurisdiction outside of the United States, Canada, Switzerland or an Approved Member State, such cash may be retained and invested in obligations of the type described in clauses (a), (b) and (c) to the extent that such obligations have a credit rating equal to the sovereign rating of such jurisdiction.

"**Cash Interest Expense**" shall mean, for any period, Consolidated Interest Expense for such period, less the sum of (a) interest on any debt paid by the increase in the principal amount of such debt including by issuance of additional debt of such kind, (b) items described in clause (c) of the definition of "Consolidated Interest Expense" and (c) gross interest income of Canadian Borrower and its Subsidiaries for such period.

"**Casualty Event**" shall mean any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any expropriation, condemnation or other taking (including by any Governmental Authority) of, any property of Holdings or any of its Subsidiaries. "Casualty Event" shall include but not be limited to any taking of all or any part of any Real Property of any person or any part thereof, in or by expropriation, condemnation or other eminent domain proceedings pursuant to any Requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any person or any part thereof by any Governmental Authority, civil or military, or any settlement in lieu thereof.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* and all implementing regulations.

A "**Change in Control**" shall be deemed to have occurred if:

(a) Acquiror at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of at least 51% of the Equity Interests of Holdings,

(b) Holdings at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) and the direct record owner of 100% of

the Equity Interests of Canadian Borrower; provided that a Permitted Holdings Amalgamation shall not constitute a Change of Control under this clause (b),

(c) Canadian Borrower at any time ceases to be the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) and the direct or indirect owner of 100% of the Equity Interests of each of the U.S. Borrower and Novelis Deutschland GmbH;

(d) at any time a change of control occurs under any Material Indebtedness;

(e) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the Specified Holders is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (except as set forth below) such person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of Voting Stock of Acquiror representing 50% or more of the voting power of the total outstanding Voting Stock of Acquiror; or

(f) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Acquiror (together with any new directors whose election to such Board of Directors or whose nomination for election was approved by the Specified Holders or by a vote of at least a majority of the members of the Board of Directors of Acquiror, which members comprising such majority are then still in office and were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Acquiror.

For purposes of this definition, a person shall not be deemed to have beneficial ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

"**Change in Law**" shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking into effect of any law, treaty, order, policy, rule or regulation, (b) any change in any law, treaty, order, policy, rule or regulation or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"**Charges**" shall have the meaning assigned to such term in Section 11.14.

"**Chattel Paper**" shall mean all "chattel paper," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which any Person now or hereafter has rights.

"**Chief Executive Office**" shall mean, with respect to any Person, the location from which such Person manages the main part of its business operations or other affairs.

"**Class**," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are U.S. Term Loans or Canadian Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is a U.S. Term Loan Commitment or a Canadian Term Loan Commitment, in each case, under this Agreement as originally in effect or pursuant to Section 2.23, of which such Loan, Borrowing or Commitment shall be a part.

"**Closing Date**" shall mean the date of the initial Credit Extension hereunder.

"**CNI Basket**" shall have the meaning assigned to such term in Section 6.08(d).

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

"**Collateral**" shall mean, collectively, all of the Revolving Credit Priority Collateral and the Term Loan Priority Collateral.

"**Collateral Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to ARTICLE X.

"**Commerzbank Cash Pooling Agreement**" shall mean an Agreement regarding an Automatic Cash Management System entered into between Novelis AG, the "Companies" (as defined therein) and Commerzbank Aktiengesellschaft, Berlin dated 15 January 2007, together with all ancillary documentation thereto.

"**Commitment**" shall mean, with respect to any Lender, such Lender's U.S. Term Loan Commitment and/or Canadian Term Loan Commitment, including any Incremental Term Loan Commitment pursuant to Section 2.23.

"**Companies**" shall mean Holdings and its Subsidiaries; and "**Company**" shall mean any one of them.

"**Compensation Plan**" shall mean any program, plan or similar arrangement (other than employment contracts for a single individual) relating generally to compensation, pension, employment or similar arrangements with respect to which any Company, any Affiliate of any Company or any ERISA Affiliate of any of them has any obligation or liability, contingent or otherwise, under any Requirements of Law other than those of the United States.

"**Compliance Certificate**" shall mean a certificate of a Financial Officer substantially in the form of Exhibit D.

"**Confidential Information Memorandum**" shall mean that certain confidential information memorandum of Novelis Inc., dated June 2007.

"**Consolidated Adjusted EBITDA**" shall mean, for any period, Consolidated EBITDA for such period plus, to the extent not otherwise included in Consolidated EBITDA:

(a) 100% of the net income of each Joint Venture Subsidiary and Logan for such period minus the amount of any dividends or distributions paid to the holder of any interest (other than a Company) in such Joint Venture Subsidiary or Logan during such period; and

(b) the Canadian Borrower's proportionate share of EBITDA of Norf GmbH for such period.

"**Consolidated Amortization Expense**" shall mean, for any period, the amortization expense of Canadian Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Current Assets**" shall mean, as at any date of determination, the total assets of Canadian Borrower and its Subsidiaries which may properly be classified as current assets on a consolidated balance sheet of Canadian Borrower and its Subsidiaries in accordance with GAAP, excluding cash and Cash Equivalents.

"**Consolidated Current Liabilities**" shall mean, as at any date of determination, the total liabilities of Canadian Borrower and its Subsidiaries which may properly be classified as current liabilities (other than the current portion of any Loans) on a consolidated balance sheet of Canadian Borrower and its Subsidiaries in accordance with GAAP, but excluding (a) the current portion of any Funded Debt of Canadian Borrower and its Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Revolving Credit Loans to the extent otherwise included therein.

"**Consolidated Depreciation Expense**" shall mean, for any period, the depreciation expense of Canadian Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period, adjusted by:

(x) adding thereto, in each case only to the extent (and in the same proportion) deducted in determining such Consolidated Net Income and without duplication:

(a) Consolidated Interest Expense for such period,

(b) Consolidated Amortization Expense for such period,

(c) Consolidated Depreciation Expense for such period,

(d) Consolidated Tax Expense for such period,

(e) non-recurring cash expenses and charges relating to the Hindalco Acquisition and the Refinancing,

(f) restructuring charges in an amount not to exceed $15 million in the aggregate during the term hereof; and

(g) the aggregate amount of all other non-cash charges reducing Consolidated Net Income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in any future period) for such period;

(y) subtracting therefrom, the aggregate amount of all non-cash items increasing Consolidated Net Income (other than the accrual of revenue or recording of receivables in the ordinary course of business) for such period; and

(z) excluding therefrom,

(a) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Canadian Borrower or any of its Subsidiaries upon any Asset Sale (other than any dispositions in the ordinary course of business) by Canadian Borrower or any of its Subsidiaries,

(b) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period,

(c) earnings or losses resulting from any reappraisal, revaluation or write-up or write-down of assets,

(d) any one-time increase or decrease to net income that is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP,

(e) unrealized gains and losses with respect to Hedging Obligations for such period, and

(f) any extraordinary gain (or extraordinary loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by Canadian Borrower or any of its Subsidiaries during such period;

Other than for purposes of calculating Excess Cash Flow, Consolidated EBITDA shall be calculated on a Pro Forma Basis to give effect to any Permitted Acquisition and Asset Sales (other than any dispositions in the ordinary course of business, dispositions where the value of the assets disposed of is less than $15 million and Permitted Acquisitions where the amount of the Acquisition Consideration plus any Equity Interests constituting all or a portion of the purchase price is less than $15 million) consummated at any time on or after the first day of the Test Period thereof as if each such Permitted Acquisition had been effected on the first day of such period and as if each such Asset Sale had been consummated on the day prior to the first day of such period.

"**Consolidated Indebtedness**" shall mean, as at any date of determination, the aggregate amount of all Indebtedness of Canadian Borrower and its Subsidiaries (other than (i) Indebtedness specified in clauses (g) and (h) (unless the lease giving rise to such Attributable Indebtedness is a Capital Lease) of the definition thereof, (ii) bankers' acceptances, letters of credit and similar credit arrangements with respect to which no reimbursement obligation has arisen, (iii) letters of credit permitted to be incurred under Section 6.01(p) and (iv) from and after

the Permitted Holdings Amalgamation, the Subordinated Debt Loan), determined on a consolidated basis in accordance with GAAP.

"**Consolidated Interest Expense**" shall mean, for any period, the total consolidated interest expense of Canadian Borrower and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP plus, without duplication:

(a) imputed interest on Capital Lease Obligations and Attributable Indebtedness of Canadian Borrower and its Subsidiaries for such period;

(b) commissions, discounts and other fees and charges owed by Canadian Borrower or any of its Subsidiaries with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings for such period;

(c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by Canadian Borrower or any of its Subsidiaries for such period;

(d) all interest paid or payable with respect to discontinued operations of Canadian Borrower or any of its Subsidiaries for such period; and

(e) the interest portion of any deferred payment obligations of Canadian Borrower or any of its Subsidiaries for such period.

Other than for purposes of calculating Excess Cash Flow, Consolidated Interest Expense shall be calculated on a Pro Forma Basis to give effect to any Indebtedness incurred, assumed or permanently repaid or extinguished during the relevant Test Period in connection with any Permitted Acquisitions and Asset Sales (other than any dispositions in the ordinary course of business, dispositions where the value of the assets disposed of is less than $15 million and Permitted Acquisitions where the amount of the Acquisition Consideration plus any Equity Interests constituting all or a portion of the purchase price is less than $15 million) as if such incurrence, assumption, repayment or extinguishing had been effected on the first day of such period.

"**Consolidated Net Income**" shall mean, for any period, the consolidated net income (or loss) of Canadian Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided, however, that:

(a) the net income (or loss) of any person in which any person other than Canadian Borrower and its Subsidiaries has an ownership interest (which interest does not cause the net income of such other person to be consolidated into the net income of Canadian Borrower and its Subsidiaries) shall be excluded, except to the extent actually received by Canadian Borrower or any of its Subsidiaries during such period; and

(b) the net income of any Subsidiary of Canadian Borrower other than a Loan Party that is subject to a prohibition on the payment of dividends or similar distributions by such Subsidiary shall be excluded to the extent of such prohibition.

For purposes of this definition of “Consolidated Net Income,” Consolidated Net Income shall be reduced (to the extent not already reduced thereby) by the amount of any payments to or on behalf of Holdings made pursuant to Section 6.08(c).

“**Consolidated Senior Secured Indebtedness**” shall mean, as at any date of determination, the aggregate amount of all Consolidated Indebtedness of the Companies that is secured by a Lien on the assets of any of such persons.

“**Consolidated Tax Expense**” shall mean, for any period, the tax expense of Canadian Borrower and its Subsidiaries, for such period, determined on a consolidated basis in accordance with GAAP.

“**Contingent Obligation**” shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations (“**primary obligations**”) of any other person (the “**primary obligor**”) in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers’ acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (e) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term “Contingent Obligation” shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

“**Contribution, Intercompany, Contracting and Offset Agreement**” shall mean that certain Contribution, Intercompany, Contracting and Offset Agreement dated as of the date hereof by and among the Loan Parties (other than certain Foreign Subsidiaries), Collateral Agent and Administrative Agent.

“**Contribution Notice**” shall mean a contribution notice issued by the Pensions Regulator under Section 38 or Section 47 of the Pensions Act 2004.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of

voting securities, by contract or otherwise, and the terms "**Controlling**" and "**Controlled**" shall have meanings correlative thereto.

"**Control Agreement**" shall mean, with respect to a Deposit Account, Securities Account, or Commodity Account (each as defined in the UCC as in effect on the date hereof in the State of New York), (i) located in the United States, an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's "control" (within the meaning of the UCC) in such account, or (ii) located in other jurisdictions, agreements with regard to such accounts establishing and perfecting the First Priority Lien of the Collateral Agent in such accounts), and otherwise in form and substance reasonably satisfactory to the Collateral Agent.

"**Credit Extension**" shall mean the making of a Loan by a Lender.

"**Debt Issuance**" shall mean the incurrence by Holdings or any of its Subsidiaries of any Indebtedness after the Closing Date (other than as permitted by Section 6.01).

"**Debt Service**" shall mean, for any period, Cash Interest Expense for such period plus scheduled principal amortization of all Indebtedness paid in such period.

"**Default**" shall mean an Event of Default or an event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

"**Default Rate**" shall have the meaning assigned to such term in Section 2.06(c).

"**Delegate**" shall mean any delegate, agent, attorney, trustee or co-trustee appointed by the Collateral Agent or any Receiver.

"**Disqualified Capital Stock**" shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to 180 days after the Final Maturity Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to 180 days after the Final Maturity Date, or (c) contains any mandatory repurchase obligation which may come into effect prior to 180 days after the Final Maturity Date; provided, however, that any Equity Interests that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change in control or an asset sale occurring prior to 180 days after the Final Maturity Date shall not constitute Disqualified Capital Stock if such Equity Interests provide that the issuer thereof will not redeem any such Equity Interests pursuant to such provisions prior to the repayment in full of the Obligations.

"**Distribution**" shall mean, collectively, with respect to each Loan Party, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income,

interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Loan Party in respect of or in exchange for any or all of the Pledged Securities or Pledged Intercompany Notes.

"**Dividend**" with respect to any person shall mean that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such person outstanding (or any options or warrants issued by such person with respect to its Equity Interests). Without limiting the foregoing, "Dividends" with respect to any person shall also include all payments made or required to be made by such person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"**Documentation Agent**" shall have the meaning assigned to such term in the preamble hereto.

"**Dollar Equivalent**" shall mean, as to any amount denominated in any currency other than Dollars as of any date of determination, the amount of Dollars that would be required to purchase the amount of such currency based upon the Spot Selling Rate as of such date, and as to any amount denominated in Dollars, such amount in Dollars.

"**Dollars**" or "**dollars**" or "**$**" shall mean lawful money of the United States.

"**EBITDA of Norf GmbH**" shall mean, with respect to any period, the net income of Norf GmbH plus to the extent deducted in determining net income, interest expense, depreciation and amortization expense, tax expense and the aggregate amount of all other non-cash charges reducing such net income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in any future period) for such period minus the aggregate amount of all non-cash items increasing such net income (other than the accrual of revenue or recording of receivables in the ordinary course of business) for such period; provided that in calculating such EBITDA of Norf GmbH the following shall be excluded:

(i) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Norf GmbH or any of its Subsidiaries upon an asset sale (other than any dispositions in the ordinary course of business) by Norf GmbH or any of its Subsidiaries;

(ii) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period;

(iii) earnings or losses resulting from any reappraisal, revaluation or write-up or write-down of assets;

(iv) any one-time increase or decrease to net income that is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP;

(v) unrealized gains and losses with respect to Hedging Obligations for such period; and

(vi) any extraordinary gain (or extraordinary loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by Norf GmbH or any of its Subsidiaries during such period.

"**Eligible Assignee**" shall mean (a) any Lender, (b) an Affiliate of any Lender, (c) an Approved Fund of a Lender and (d) any other person approved by the Administrative Agent and Administrative Borrower (each such approval not to be unreasonably withheld or delayed); provided that (x) no approval of Administrative Borrower shall be required during the continuance of a Default or prior to the earlier of (i) three months after the Closing Date or (ii) the completion of the primary syndication of the Commitments and Loans (as determined by the Arrangers), (y) "Eligible Assignee" shall not include Holdings or any of its Affiliates or Subsidiaries or any natural person and (z) each assignee Lender shall be subject to each other applicable requirement regarding Lenders hereunder.

"**Embargoed Person**" shall have the meaning assigned to such term in Section 6.21.

"**Environment**" shall mean the natural environment, including air (indoor or outdoor), surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources, the workplace or as otherwise defined in any Environmental Law.

"**Environmental Claim**" shall mean any claim, notice, demand, order, action, suit, proceeding or other communication alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Material at any location or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to health, safety or the Environment.

"**Environmental Law**" shall mean any and all treaties, laws, statutes, ordinances, regulations, rules, decrees, orders, judgments, consent orders, consent decrees, code or other legally binding requirements, and the common law, relating to protection of public health or the Environment, the Release or threatened Release of Hazardous Material, natural resources or natural resource damages, or occupational safety or health, and any and all Environmental Permits.

"**Environmental Permit**" shall mean any permit, license, approval, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

"**Equipment**" shall mean "equipment," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which such Person now or hereafter has rights.

"**Equity Interest**" shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

"**Equity Issuance**" shall mean, without duplication, (i) any issuance or sale by Holdings after the Closing Date of any Equity Interests (other than Preferred Stock) in Holdings (including any Equity Interests (other than Preferred Stock) issued upon exercise of any warrant or option) or any warrants or options to purchase Equity Interests (other than Preferred Stock) or (ii) any contribution to the capital of Holdings.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"**ERISA Affiliate**" shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414 of the Code.

"**ERISA Event**" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the thirty (30) day notice period is waived by regulation); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan; (d) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the incurrence by any Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by any Company or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (g) the incurrence by any Company or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; (h) the receipt by any Company or its ERISA Affiliates of any notice, concerning the imposition of material Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (i) the "substantial cessation of operations" within the meaning of Section 4062(e) of ERISA with respect to a Plan; (j) the making of any amendment to any Plan which could result in the imposition of a lien or the posting of a bond or other security; and (k) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or

Section 406 of ERISA) which could reasonably be expected to result in a Material Adverse Effect.

"**Eurocurrency Borrowing**" shall mean a Borrowing comprised of Eurocurrency Loans.

"**Eurocurrency Loan**" shall mean any Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of ARTICLE II.

"**Eurofoil**" shall mean Eurofoil Inc. (USA), a New York corporation.

"**European Cash Pooling Arrangements**" shall mean the cash pooling arrangements operated by the Swiss Borrower and certain of the other Companies pursuant to the Novelis AG Cash Pooling Agreement and the Commerzbank Cash Pooling Agreement.

"**Event of Default**" shall have the meaning assigned to such term in Section 8.01.

"**Excess Amount**" shall have the meaning assigned to such term in Section 2.10.

"**Excess Availability**" shall mean "Excess Availability" as defined in the Revolving Credit Agreement as in effect on the Closing Date.

"**Excess Cash Flow**" shall mean, for any Excess Cash Flow Period, Consolidated Adjusted EBITDA for such Excess Cash Flow Period, minus, without duplication:

(a) Debt Service for such Excess Cash Flow Period;

(b) (i) any voluntary prepayments of Term Loans, (ii) any voluntary prepayments of term loans of NKL permitted under Section 6.01(m), (iii) any voluntary repayments of Revolving Credit Loans to the extent accompanied by a simultaneous permanent reduction in an equal amount of the Revolving Credit Commitments (and excluding any such reduction to the extent relating to the entering into of a replacement Revolving Credit Agreement) and (iv) any voluntary repayments of revolving Indebtedness of NKL permitted under Section 6.01(m) to the extent accompanied by a simultaneous permanent reduction in an equal amount of the commitments in respect of such Indebtedness (and excluding any such reduction to the extent relating to the entering into of replacement revolving Indebtedness of NKL), in each case, so long as such amounts are not already reflected in Debt Service, during such Excess Cash Flow Period;

(c) Capital Expenditures during such Excess Cash Flow Period (excluding Capital Expenditures made in such Excess Cash Flow Period where a certificate in the form contemplated by the following clause (d) was previously delivered) that are paid in cash;

(d) Capital Expenditures that Canadian Borrower or any of its Subsidiaries shall, during such Excess Cash Flow Period, become obligated to make but that are not made during such Excess Cash Flow Period; provided that Canadian Borrower shall deliver a certificate to the Administrative Agent not later than 90 days after the end of such Excess Cash

Flow Period, signed by a Responsible Officer of Canadian Borrower and certifying that such Capital Expenditures will be made in the following Excess Cash Flow Period;

(e) the aggregate amount of Investments made in cash during such period pursuant to Sections 6.04(e), (h), (l), (m) and (r);

(f) (i) taxes of Canadian Borrower and its Subsidiaries that were paid in cash during such Excess Cash Flow Period (excluding taxes paid in such Excess Cash Flow period where a certificate contemplated by the following clause (ii) was previously delivered) and (ii) taxes of Canadian Borrower and its Subsidiaries that will be paid within six months after the end of such Excess Cash Flow Period and for which reserves have been established; provided that Borrower shall deliver a certificate to the Administrative Agent not later than 90 days after the end of such Excess Cash Flow Period, signed by a Responsible Officer of Borrower and certifying that such taxes will be paid within such six month period;

(g) the absolute value of the difference, if negative, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period (or, in the case of the Excess Cash Flow Period for the first complete fiscal year of Canadian Borrower commencing after the Closing Date, at the first day of such Excess Cash Flow Period) over the amount of Net Working Capital at the end of such Excess Cash Flow Period;

(h) to the extent added to determine Consolidated EBITDA and paid in cash during such Excess Cash Flow Period, restructuring charges in an amount not to exceed $15 million during the term hereof;

(i) losses excluded from the calculation of Consolidated EBITDA by operation of clauses (z)(a) and (z)(f) of the definition thereof that are paid or realized in cash during such Excess Cash Flow Period;

(j) Dividends paid in cash to Holdings during such Excess Cash Flow period in accordance with Section 6.08(c); and

(k) to the extent added to determine Consolidated EBITDA, all items that did not result from a cash payment to Canadian Borrower or any of its Subsidiaries on a consolidated basis during such Excess Cash Flow Period;

provided that any amount deducted pursuant of any of the foregoing clauses that will be paid after the close of such Excess Cash Flow Period shall not be deducted again in a subsequent Excess Cash Flow Period; plus, without duplication:

(i) the difference, if positive, of the amount of Net Working Capital at the end of the prior Excess Cash Flow Period (or, in the case of the Excess Cash Flow Period for the first complete fiscal year of Canadian Borrower commencing after the Closing Date, at the first day of such Excess Cash Flow Period) over the amount of Net Working Capital at the end of such Excess Cash Flow Period;

(ii) (1) all net cash proceeds received during such Excess Cash Flow Period of (x) any equity issuance by, or capital contribution to, Holdings, Canadian

Borrower or any other Subsidiary of Canadian Borrower to, or made by, persons other than Companies and (y) any Indebtedness (other than Revolving Credit Loans), in each case, to the extent (directly or indirectly) used to finance (A) Investments made pursuant to Sections 6.04(e), (h), (l), (m) and (r), (B) voluntary prepayments of term loans of NKL (to the extent such voluntary repayment of term loans of NKL is deducted from Excess Cash Flow pursuant to clause (b)(ii) above), (C) voluntary repayments of Revolving Credit Loans (to the extent such voluntary repayment of Revolving Credit Loans is deducted from Excess Cash Flow pursuant to clause (b)(iii) above) or (D) voluntary repayments of revolving Indebtedness of NKL (to the extent such voluntary repayment of revolving Indebtedness of NKL is deducted from Excess Cash Flow pursuant to clause (b)(iv) above); (2) all net cash proceeds received during such Excess Cash Flow Period of (x) any equity issuance by, or capital contribution to, Holdings, Canadian Borrower or any other Subsidiary of Canadian Borrower to, or made by, persons other than Companies and (y) any Indebtedness (other than Revolving Credit Loans), in each case, to the extent used to finance any Capital Expenditure; and (3) all Net Cash Proceeds of Asset Sales utilized to make Capital Expenditures in such Excess Cash Flow Period as permitted under Section 2.10(c);

(iii) to the extent any permitted Capital Expenditures referred to in clause (d) above do not occur in the Excess Cash Flow Period specified in the certificate of Borrower provided pursuant to clause (d) above, such amounts of Capital Expenditures that were not so made in the Excess Cash Flow Period specified in such certificates;

(iv) to the extent any tax payments referred to in clause (f)(ii) above do not occur in the Excess Cash Flow Period specified in the certificate of Canadian Borrower provided pursuant to clause (f)(ii) above, such amounts of tax payments that were not so made in the Excess Cash Flow Period specified in such certificates;

(v) to the extent not reflected in Consolidated EBITDA for such Excess Cash Flow Period, any return on or in respect of Investments received in cash during such period, which Investments were made pursuant to Sections 6.04(e), (h), (l), (m) and (r) (excluding any amounts of such Investments financed with the proceeds of (x) equity issuances by, or capital contributions to, Holdings, Canadian Borrower or any other Subsidiary of Canadian Borrower to, or made by, persons other than Companies or (y) Indebtedness (other than Revolving Credit Loans));

(vi) if deducted in the computation of Consolidated EBITDA, interest income;

(vii) income and gains excluded from the calculation of Consolidated EBITDA in any period by operation of clauses (z)(a) or (z)(f) of the definition thereof that are realized in cash during such Excess Cash Flow Period (other than pursuant to a sale under Section 6.06(k) to the extent that the proceeds of such sale are reinvested in accordance with Section 6.04(k) during such Excess Cash Flow Period); and

(viii) to the extent subtracted in determining Consolidated EBITDA, all items that did not result from a cash payment by Borrower or any of its Subsidiaries on a consolidated basis during such Excess Cash Flow Period.

"**Excess Cash Flow Period**" shall mean each fiscal year of Borrower, beginning with the first complete fiscal year of Borrower commencing after the Closing Date.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Excluded Collateral Subsidiary**" shall mean, at any date of determination, any Subsidiary designated as such in writing by Administrative Borrower to the Administrative Agent that, together with all other Subsidiaries constituting Excluded Collateral Subsidiaries (i) contributed 1.0% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, (ii) had consolidated assets representing 1.0% or less of the consolidated total assets of Canadian Borrower and its Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, and (iii) is not a Loan Party. The Excluded Collateral Subsidiaries as of the Closing Date are listed on Schedule 1.01(c).

"**Excluded Subsidiaries**" shall mean Subsidiaries of Holdings that (i) are not Loan Parties and (ii) are not organized in a Principal Jurisdiction.

"**Excluded Taxes**" shall mean, with respect to the Agents, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), franchise taxes imposed on it (in lieu of net income taxes) and branch profits taxes imposed on it, by a jurisdiction (or any political subdivision thereof) as a result of the recipient being organized or having its principal office or, in the case of any Lender, its applicable lending office in such jurisdiction and (b) in the case of a Foreign Lender, any U.S. federal withholding tax that (i) is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office), except (x) to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from any Borrower with respect to such withholding tax pursuant to Section 2.15(a) or (y) if such Foreign Lender designates a new foreign lending office or is an assignee pursuant to a request by any Borrower under Section 2.16; provided that this subclause (b)(i) shall not apply to any Tax imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 2.14(d), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.15(e).

"**Executive Order**" shall have the meaning assigned to such term in Section 3.22.

"**Existing Lien**" shall have the meaning assigned to such term in Section 6.02(c).

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the

United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"**Fee Letter**" shall mean that certain fee letter among Canadian Borrower, the Arrangers, ABN AMRO, and UBS Loan Finance LLC, dated as of May 25, 2007, as the same may be amended, amended and restated, supplemented, revised or modified from time to time.

"**Fees**" shall mean the fees payable hereunder or under the Fee Letter.

"**Final Maturity Date**" shall mean July 6, 2014.

"**Financial Officer**" of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

"**Financial Support Direction**" shall mean a financial support direction issued by the Pensions Regulator under Section 43 of the Pensions Act 2004.

"**FIRREA**" shall mean the Federal Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

"**First Priority**" means, with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is the most senior Lien to which such Collateral is subject, other than Permitted Liens of the type described in Section 6.02(a), (b), (c), (d), (f), (g), (h), (i), (j), (k) (to the extent provided in the Intercreditor Agreement), (n), (o), (q), (r), (s) and (t) which have priority over the Liens granted pursuant to the Security Documents (and in each case, subject to the proviso to Section 6.02).

"**Foreign Guarantee**" shall have the meaning assigned to such term in Section 7.01.

"**Foreign Lender**" shall mean any Lender that is not, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation, partnership or other entity treated as a corporation or partnership created or organized in or under the laws of the United States, or any political subdivision thereof, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or a trust that properly elected to be treated as a United States person.

"**Foreign Plan**" shall mean any pension or other employee benefit or retirement plan, program, policy, arrangement or agreement maintained or contributed to by any Company with respect to employees employed outside the United States.

"**Foreign Subsidiary**" shall mean a Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof or the District of Columbia.

“**Fund**” shall mean any person that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

“**Funded Debt**” shall mean, as to any person, all Indebtedness of such person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of Canadian Borrower and its Subsidiaries, Indebtedness in respect of the Loans and the Revolving Credit Loans.

“**GAAP**” shall mean generally accepted accounting principles in the United States applied on a consistent basis.

“**GBP**” or “**£**” shall mean lawful money of the United Kingdom.

“**German Guarantor**” shall mean each Subsidiary of Holdings organized in Germany party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Germany that is required to become a Guarantor pursuant to the terms hereof.

“**German Security Agreement**” shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-5-1 to 7 among the German Guarantors and the Collateral Agent for the benefit of the Secured Parties.

“**German Seller**” shall mean Novelis Deutschland GmbH, a company organized under the laws of Germany (including in its roles as seller and collection agent under the Receivables Purchase Agreement).

“**Governmental Authority**” shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Governmental Real Property Disclosure Requirements**” shall mean any Requirement of Law of any Governmental Authority requiring notification of the buyer, lessee, mortgagee, assignee or other transferee of any Real Property, facility, establishment or business, or notification, registration or filing to or with any Governmental Authority, in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business, of the actual or threatened presence or Release in or into the Environment, or the use, disposal or handling of Hazardous Material on, at, under or near the Real Property, facility, establishment or business to be sold, leased, mortgaged, assigned or transferred.

"**Guarantee Payment**" shall have the meaning assigned to such term in Section 7.12(b).

"**Guaranteed Obligations**" shall have the meaning assigned to such term in Section 7.01.

"**Guarantees**" shall mean the guarantees issued pursuant to ARTICLE VII by the Guarantors.

"**Guarantors**" shall mean each Borrower, Holdings and the Subsidiary Guarantors (including the U.S. Borrower, Canadian Borrower, Holdings and each other Canadian Guarantor, each U.S. Guarantor, each Swiss Guarantor, each U.K. Guarantor, the German Guarantor, the Irish Guarantor, the Brazilian Guarantor, and each other Subsidiary of Holdings that is required to become a Guarantor hereunder).

"**Hazardous Materials**" shall mean the following: hazardous substances; hazardous wastes; polychlorinated biphenyls ("**PCBs**") or any substance or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant or contaminant or chemicals, wastes, materials, compounds, constituents or substances, subject to regulation under or which can give rise to liability under any Environmental Laws.

"**Hedging Agreement**" shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging a Company's exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices, in each case not for speculative purposes.

"**Hedging Obligations**" shall mean obligations under or with respect to Hedging Agreements.

"**Hindalco Acquisition**" shall have the meaning assigned to such term in the recitals hereto.

"**Holdings**" shall mean (i) prior to the consummation of the Permitted Holdings Amalgamation, AV Aluminum, and (ii) upon and after the consummation of the Permitted Holdings Amalgamation, AV Metals.

"**Immaterial Subsidiary**" shall mean, at any date of determination, any Subsidiary designated as such in writing by Administrative Borrower to the Administrative Agent that, together with all other Subsidiaries constituting Immaterial Subsidiaries (i) contributed 5.0% or less of Consolidated EBITDA for the period of four fiscal quarters most recently ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of determination, (ii) had consolidated assets representing 5.0% or less of the consolidated total assets of Canadian Borrower and its Subsidiaries on the last day of the most recent fiscal quarter ended for which financial statements have been or are required to have been delivered pursuant to Section 5.01(a) or 5.01(b) prior to the date of

determination, and (iii) is not a Loan Party. The Immaterial Subsidiaries as of the Closing Date are listed on Schedule 1.01(d).

"**Increase Effective Date**" shall have the meaning assigned to such term in Section 2.23(a).

"**Increase Joinder**" shall have the meaning assigned to such term in Section 2.23(c).

"**Incremental Term Loan**" shall have the meaning assigned to such term in Section 2.23(c).

"**Incremental Term Loan Commitment**" shall have the meaning assigned to such term in Section 2.23(a).

"**Incremental Term Loan Maturity Date**" shall have the meaning assigned to such term in Section 2.23(c).

"**Indebtedness**" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or advances; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than ninety (90) days (other than such overdue trade accounts payable being contested in good faith and by proper proceedings, for which appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP or other applicable accounting standards)); (e) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; (f) all Capital Lease Obligations, Purchase Money Obligations and synthetic lease obligations of such person; (g) all Hedging Obligations to the extent required to be reflected on a balance sheet of such person; (h) all Attributable Indebtedness of such person; (i) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions; (j) all obligations of such person under any Securitization Facility; and (k) all Contingent Obligations of such person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor.

"**Indemnified Taxes**" shall mean all Taxes other than Excluded Taxes.

"**Indemnitee**" shall have the meaning assigned to such term in Section 11.03(b).

"**Information**" shall have the meaning assigned to such term in Section 11.12.

"**Instruments**" shall mean all "instruments," as such term is defined in the UCC as in effect on the date hereof in the State of New York, in which any Person now or hereafter has rights.

"**Insurance Policies**" shall mean the insurance policies and coverages required to be maintained by each Loan Party which is an owner of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 5.04 and all renewals and extensions thereof.

"**Insurance Requirements**" shall mean, collectively, all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon each Loan Party which is an owner of Mortgaged Property and applicable to the Mortgaged Property or any use or condition thereof.

"**Intellectual Property**" shall have the meaning assigned to such term in Section 3.06(a).

"**Interbank Rate**" shall mean, for any period, (i) in respect of Loans denominated in dollars, the Federal Funds Effective Rate, and (ii) in respect of Loans denominated in any other currency, the Administrative Agent's cost of funds for such period.

"**Intercompany Note**" shall mean a promissory note substantially in the form of Exhibit P, or such other form as may be agreed to by the Administrative Agent in its sole discretion.

"**Intercreditor Agreement**" shall mean that certain Intercreditor Agreement dated as of the date hereof by and among the Companies party thereto, the Administrative Agent, the Collateral Agent, the Revolving Credit Funding Agent, the Revolving Credit Canadian Administrative Agent, the Revolving Credit Canadian Administrative Agent and the Revolving Credit Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Interest Election Request**" shall mean a request by Administrative Borrower to convert or continue a Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit E.

"**Interest Payment Date**" shall mean (a) with respect to any ABR Loan, the last Business Day of each March, June, September and December to occur during any period in which such Loan is outstanding, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Term Loan, the Final Maturity Date.

"**Interest Period**" shall mean, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months, as Administrative Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next

succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) Administrative Borrower shall not select a Interest Period that would extend beyond the Final Maturity Date, (d) Administrative Borrower shall not select Interest Periods so as to require a payment or prepayment of any Eurocurrency Loans during an Interest Period for such Loans and (e) any Eurocurrency Borrowings made or continued during the period ending on the earlier of (x) three months following the Closing Date and (y) the completion of the primary syndication of the Commitments (as determined by the Arrangers), shall have a Interest Period of one month. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"**Inventory**" shall mean all "inventory," as such term is defined in the UCC as in effect on the date hereof in the State of New York, wherever located, in which any Person now or hereafter has rights.

"**Investments**" shall have the meaning assigned to such term in Section 6.04.

"**Irish Guarantor**" shall mean each Subsidiary of Holdings organized in Ireland party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Ireland that is required to become a Guarantor pursuant to the terms hereof.

"**Irish Security Agreement**" shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-6-1 to 5 among the Irish Guarantors and the Collateral Agent for the benefit of the Secured Parties.

"**Joinder Agreement**" shall mean a joinder agreement substantially in the form of Exhibit F, or such other form as may be agreed to by the Administrative Agent in its sole discretion.

"**Joint Venture**" shall mean any person (a) that is not a direct or indirect Subsidiary of Holdings and (b) in which Canadian Borrower, in the aggregate, together with its Subsidiaries, is directly or indirectly, the beneficial owner of 5% or more of any class of Equity Interests of such person.

"**Joint Venture Subsidiary**" shall mean each of (i) Aluminum Company of Malaysia Berhard (Malaysia), (ii) NKL and (iii) any other person that is a Subsidiary in which persons other than Holdings or its Affiliates own 10% or more of the Equity Interests of such person, excluding Logan and Norf GmbH.

"**Judgment Currency**" shall have the meaning assigned to such term in Section 11.18(a).

"**Judgment Currency Conversion Date**" shall have the meaning assigned to such term in Section 11.18(a).

“**Land Registry**” shall mean the Land Registry of England and Wales.

“**Landlord Access Agreement**” shall mean a Landlord Access Agreement, substantially in the form of Exhibit G, or such other form as may reasonably be acceptable to the Administrative Agent.

“**Leases**” shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

“**Lender Addendum**” shall mean with respect to any Lender on the Closing Date, a lender addendum in the form of Exhibit I, to be executed and delivered by such Lender on the Closing Date as provided in Section 11.15, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Lenders**” shall mean (a) the financial institutions that have become a party hereto pursuant to a Lender Addendum and (b) any financial institution that has become a party hereto pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to be a party hereto pursuant to an Assignment and Assumption.

“**LIBOR Rate**” shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, the rate per annum determined by the Administrative Agent to be the arithmetic mean of the offered rates for deposits in Dollars with a term comparable to such Interest Period that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (as defined below) at approximately 11:00 a.m., London, England time, on the second full Business Day preceding the first day of such Interest Period; provided, however, that (i) if no comparable term for an Interest Period is available, the LIBOR Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if there shall at any time no longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, “LIBOR Rate” shall mean, with respect to each day during each Interest Period pertaining to Eurocurrency Borrowings comprising part of the same Borrowing, the rate per annum equal to the rate at which the Administrative Agent is offered deposits in Dollars at approximately 11:00 a.m., London, England time, two (2) Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of such Eurocurrency Borrowing to be outstanding during such Interest Period (or such other amount as the Administrative Agent may reasonably determine). “**Telerate British Bankers Assoc. Interest Settlement Rates Page**” shall mean the display designated as Page 3750 on the Telerate System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market).

“**Lien**” shall mean, with respect to any property, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge, assignment, hypothecation, security interest or similar

encumbrance of any kind or any arrangement to provide priority or preference in respect of such property or any filing of any financing statement or any financing change statement under the UCC, the PPSA or any other similar notice of lien under any similar notice or recording statute of any Governmental Authority (other than any unauthorized notice or filing filed after the Closing Date for which there is not otherwise any underlying lien or obligation, so long as the Borrowers are (if aware of same) using commercially reasonable efforts to cause the removal of same), including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and any agreement to give any of the foregoing; (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property; and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan Documents**" shall mean this Agreement, the Intercreditor Agreement, the Contribution, Intercompany, Contracting and Offset Agreement, the Notes (if any), the Security Documents, each Foreign Guaranty, the Fee Letter, each Hedging Agreement entered into with any counterparty that is a Secured Party (provided that such Hedging Agreements shall be deemed not to be Loan Documents for purposes of Sections 1.03 and 1.04 and Articles II, VI, VIII and XI hereof), and all other pledges, powers of attorney, consents, assignments, certificates, agreements or documents, whether heretofore, now or hereafter executed by or on behalf of any Loan Party for the benefit of any Agent or any Lender in connection with this Agreement.

"**Loan Parties**" shall mean Holdings, the Borrowers and the Subsidiary Guarantors.

"**Loans**" shall mean Term Loans.

"**Logan**" shall mean Logan Aluminum Inc., a Delaware corporation.

"**Logan Location**" shall mean the premises of Logan Aluminum Inc., Route 431, North Russellville, Kentucky 42276.

"**Mandatory Cost**" shall mean the per annum percentage rate calculated by the Administrative Agent in accordance with Annex III.

"**Margin Stock**" shall have the meaning assigned to such term in Regulation U.

"**Material Adverse Effect**" shall mean (a) a material adverse effect on the business, property, results of operations, or financial condition of the Loan Parties and their Subsidiaries, taken as a whole; (b) material impairment of the ability of the Loan Parties to perform their payment and other material obligations under the Loan Documents; (c) material impairment of the rights of or benefits or remedies available to the Lenders or the Collateral Agent under the Loan Documents, taken as a whole; or (d)(i) a material adverse effect on the Revolving Credit Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(i) taken as a whole, or (ii) a material adverse effect on the Term Loan Priority Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the

other Secured Parties) on such Collateral or the priority of such Liens, in each case for this clause (d)(ii) taken as a whole.

"**Material Indebtedness**" shall mean (a) Indebtedness under the Revolving Credit Loan Documents and any Permitted Revolving Credit Facility Refinancings thereof, (b) Indebtedness under the Senior Notes, the Subordinated Debt Loan and any Permitted Refinancings thereof and (c) any other Indebtedness (other than the Loans and intercompany Indebtedness of the Companies permitted hereunder) of the Loan Parties in an aggregate outstanding principal amount exceeding $50 million.

"**Material Subsidiary**" shall mean any Subsidiary of Canadian Borrower that is not an Immaterial Subsidiary.

"**Maximum Rate**" shall have the meaning assigned to such term in Section 11.14.

"**Maximum Revolving Credit Facility Amount**" shall mean, at any time, the greater of (i) $900 million and (ii) the amount, at such time, of the Total Borrowing Base under and as defined in the Revolving Credit Agreement as in effect on the Closing Date.

"**Minimum Amount**" shall mean (i) an integral multiple of $1 million and not less than $5 million for ABR Loans and (ii) an integral multiple of $1 million and not less than $5 million for Eurocurrency Loans.

"**Moody's**" shall mean Moody's Investors Service, Inc.

"**Mortgage**" shall mean an agreement, including, but not limited to, a mortgage, charge, deed of trust, deed of hypothec or any other document, creating and evidencing a Lien on a Mortgaged Property, which shall be substantially in the form of Exhibit J or, subject to the terms of the Intercreditor Agreement, other form reasonably satisfactory to the Collateral Agent, in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or foreign law or as shall be customary under applicable local or foreign law.

"**Mortgaged Property**" shall mean (a) each Real Property identified as a Mortgaged Property on Schedule 8(a) to any Perfection Certificate dated the Closing Date, (b) each future Real Property covered by the terms of any Mortgage, and (c) each Real Property, if any, which shall be subject to a Mortgage (or other Lien created by a Security Document) delivered after the Closing Date pursuant to Section 5.11(c).

"**Multiemployer Plan**" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which any Company or any ERISA Affiliate is then making or accruing an obligation to make contributions; (b) to which any Company or any ERISA Affiliate has within the preceding five plan years made contributions; or (c) with respect to which any Company could incur liability.

"**Net Cash Proceeds**" shall mean:

(a) with respect to any Asset Sale, the cash proceeds received by Holdings or any of its Subsidiaries (including cash proceeds subsequently received (as and when received by Holdings or any of its Subsidiaries) in respect of non-cash consideration initially received) net of (without duplication) (i) selling expenses (including reasonable brokers' fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and Administrative Borrower's good faith estimate of income taxes paid or payable in connection with such sale and repatriation Taxes that are or would be payable in connection with any sale by a Foreign Subsidiary); (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations associated with such Asset Sale or (y) any other liabilities retained by Holdings or any of its Subsidiaries associated with the properties sold in such Asset Sale (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); (iii) Administrative Borrower's good faith estimate of payments required to be made with respect to unassumed liabilities relating to the properties sold within ninety (90) days of such Asset Sale (provided that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities within ninety (90) days of such Asset Sale, such cash proceeds shall constitute Net Cash Proceeds); (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money (other than the Revolving Credit Loans) which is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such properties); and (v) so long as any Revolving Credit Loans remain outstanding, the proceeds of any Revolving Credit Priority Collateral of any Loan Party sold in such Asset Sale (which shall include, for the avoidance of doubt, the portion of the sale price of the Equity Interests or all or substantially all of the property, assets or business of any Subsidiary of Holdings consisting of the net book value of any such Revolving Credit Priority Collateral) to the extent the proceeds thereof are required to be (and are) applied to the repayment of the Revolving Credit Loans pursuant to the terms of the Revolving Credit Agreement;

(b) with respect to any Debt Issuance or any Preferred Stock Issuance, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith; and

(c) with respect to any Equity Issuance or any other issuance of Equity Interests (other than Preferred Stock) by Holdings, the cash proceeds thereof, net of customary fees, commissions, costs and other expenses incurred in connection therewith; and

(d) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of (i) all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event; and (ii) so long as any Revolving Credit Loans remain outstanding, any such cash insurance proceeds, condemnation awards and other compensation received in respect of Revolving

Credit Priority Collateral of any Loan Party to the extent such amounts are required to be (and are) applied to the repayment of the Revolving Credit Loans pursuant to the terms of the Revolving Credit Agreement;

provided, however, that Net Cash Proceeds arising from any Asset Sale, Preferred Stock Issuance or Casualty Event by or applicable to a non-Wholly Owned Subsidiary shall equal the amount of such Net Cash Proceeds calculated as provided above less the percentage thereof equal to the percentage of any Equity Interests of such non-Wholly Owned Subsidiary not owned by Holdings and its Subsidiaries.

"**Net Cash Proceeds Account**" means any segregated Deposit Account or Securities Account established by any Borrower or any other Guarantor with one or more financial institutions reasonably satisfactory to the Collateral Agent (which, in the case of an account established by Canadian Borrower, shall not be a Lender or an Affiliate of a Lender) that (i) is subject to a Control Agreement, (ii) is subject to a First Priority security interest in favor of the Collateral Agent for the ratable benefit of the Secured Parties to secure the Secured Obligations and (iii) solely contains proceeds of Term Loan Priority Collateral (and any products of such proceeds), and which has been designated in writing to the Revolving Credit Agents as a "Net Cash Proceeds Account" on or prior to the time that the Net Cash Proceeds from any sale of Term Loan Priority Collateral shall be deposited therein, pending application of such proceeds (and any products of such proceeds) in accordance with the terms hereof.

"**Net Working Capital**" shall mean, at any time, Consolidated Current Assets at such time minus Consolidated Current Liabilities at such time.

"**Net Yield**" shall have the meaning assigned to such term in Section 2.23(c).

"**NKL**" shall mean Novelis Korea Limited.

"**Non-Guarantor Subsidiary**" shall mean each Subsidiary that is not a Guarantor.

"**Norf GmbH**" shall mean Aluminium Norf GmbH, a limited liability company (GmbH) organized under the laws of Germany.

"**Notes**" shall mean any notes evidencing the U.S. Term Loans or Canadian Terms Loans issued pursuant to this Agreement, if any, substantially in the form of Exhibit K-1 or K-2.

"**Novelis AG**" shall mean Novelis AG, a stock corporation (AG) organized under the laws of Switzerland.

"**Novelis AG Cash Pooling Agreement**" shall mean a Cash Management Agreement entered into among Novelis AG and certain "European Affiliates" (as identified therein) dated 1 February 2007, together with all ancillary documentation thereto.

"**Novelis Corporation**" shall mean Novelis Corporation, a Texas corporation.

"**Novelis Inc.**" shall mean Novelis Inc., a corporation formed under the Canada Business Corporations Act.

"**Obligation Currency**" shall have the meaning assigned to such term in Section 11.18(a).

"**Obligations**" shall mean (a) obligations of the Borrowers and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing (and interest that would have accrued but for such proceeding) during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrowers and the other Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrowers and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents.

"**OFAC**" shall have the meaning assigned to such term in Section 3.22.

"**Officers' Certificate**" shall mean a certificate executed by a Responsible Officer in his or her official (and not individual) capacity.

"**Organizational Documents**" shall mean, with respect to any person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person and (v) in any other case, the functional equivalent of the foregoing.

"**Other Taxes**" shall mean all present or future stamp, recording, documentary, excise, transfer, sales, property or similar taxes, charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Parent Guarantor**" shall mean (i) prior to the consummation of the Permitted Holdings Amalgamation, AV Aluminum, and (ii) upon and after the consummation of the Permitted Holdings Amalgamation, AV Metals.

"**Participant**" shall have the meaning assigned to such term in Section 11.04(d).

"**Participating Member States**" shall mean the member states of the European Communities that adopt or have adopted the euro as their lawful currency in accordance with the legislation of the European Union relating to European Monetary Union.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“**Pensions Regulator**” shall mean the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.

“**Perfection Certificate**” shall mean, individually and collectively, as the context may require, each certificate of a Loan Party in the form of Exhibit L-1 or any other form approved by the Collateral Agent, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

“**Perfection Certificate Supplement**” shall mean a certificate supplement in the form of Exhibit L-2 or any other form approved by the Collateral Agent.

“**Permitted Acquisition**” shall mean any Acquisition, if each of the following conditions is met:

(i) no Default is then continuing or would result therefrom;

(ii) no Company shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness of the related seller or the business, person or properties acquired, except to the extent permitted under Section 6.01, and any other such Indebtedness not permitted to be assumed or otherwise supported by any Company hereunder shall be paid in full or released as to the business, persons or properties being so acquired on or before the consummation of such acquisition;

(iii) the person or business to be acquired shall be, or shall be engaged in, a business of the type that the Loan Parties and the Subsidiaries are permitted to be engaged in under Section 6.15, and the person or business and any property acquired in connection with any such transaction shall be free and clear of any Liens, other than Permitted Liens;

(iv) the Board of Directors of the person to be acquired shall not have indicated publicly its opposition to the consummation of such acquisition (which opposition has not been publicly withdrawn);

(v) all transactions in connection therewith shall be consummated in all material respects in accordance with all applicable Requirements of Law;

(vi) with respect to any transaction involving Acquisition Consideration of more than $25 million, unless the Administrative Agent shall otherwise agree, Administrative Borrower shall have provided the Administrative Agent with (A) ten (10) Business Days’ prior written notice of such transaction, which notice shall describe in reasonable detail the terms and conditions of such transaction and the person or business to be acquired and (B) all such other information and data relating to such transaction or the person or business to be acquired as may be reasonably requested by the Administrative Agent;

(vii) the property acquired in connection with any such transaction shall be made subject to the Lien of the Security Documents, and any person acquired in connection with any such transaction shall become a Guarantor, in each case, to the

extent required under, and within the relevant time periods provided in, Section 5.11, on terms reasonably satisfactory to the Agents, and the Agents shall have received all opinions, certificates, lien search results and other documents in connection therewith reasonably requested by the Agents;

(viii) with respect to any transaction involving Acquisition Consideration that, when added to the fair market value of Equity Interests, including Equity Interests of Holdings, constituting purchase consideration, exceeds $10 million, Administrative Borrower shall have delivered to the Administrative Agent an Officers' Certificate certifying that (A) such transaction complies with this definition and (B) such transaction could not reasonably be expected to result in a Material Adverse Effect;

(ix) the Acquisition Consideration for such acquisition shall not exceed $250 million, and the aggregate amount of the Acquisition Consideration for all Permitted Acquisitions since the Closing Date shall not exceed $500 million; and

(x) not more than 35% of the aggregate amount of all such Permitted Acquisitions (as determined by reference to the aggregate amount of the Acquisition Consideration applied in respect thereof) shall be of persons that do not become Loan Parties in accordance with Section 5.11 upon consummation of such Permitted Acquisitions.

"**Permitted Factoring Facility**" shall mean a sale of Accounts on a discounted basis by any Company that is not a Borrower and is not organized under the laws of, and does not conduct business in, a Principal Jurisdiction, so long as (i) no Loan Party has any obligation, contingent or otherwise in connection with such sale (other than to deliver the Accounts purported to be sold free and clear of any encumbrance), and (ii) such sale is for cash and fair market value.

"**Permitted Holdings Amalgamation**" shall mean the amalgamation of AV Aluminum and Canadian Borrower on a single occasion following the Closing Date; provided that (i) no Default exists or would result therefrom, (ii) the person resulting from such amalgamation shall be named Novelis Inc., and shall be a corporation formed under the Canada Business Corporations Act (such resulting person, the "**Successor Canadian Borrower**"), and the Successor Canadian Borrower shall expressly confirm its obligations as Canadian Borrower under this Agreement and the other Loan Documents to which Canadian Borrower is a party pursuant to a confirmation in form and substance reasonably satisfactory to the Administrative Agent, (iii) immediately upon consummation of such amalgamation, AV Metals shall (A) be an entity organized or existing under the laws of Canada, (B) directly own 100% of the Equity Interests in the Successor Canadian Borrower, (C) execute a supplement or joinder to this Agreement in form and substance reasonably satisfactory to the Administrative Agent to become a Guarantor and execute Security Documents (or supplements or joinder agreements thereto) in form and substance reasonably satisfactory to the Administrative Agent, and take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Documents to be a duly perfected First Priority Lien in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by

the Administrative Agent or the Collateral Agent and (D) subject to the terms of the Intercreditor Agreement, pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of the Successor Canadian Borrower, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of AV Metals, (iv) immediately after giving effect to any such amalgamation, the Senior Secured Leverage Ratio is not greater than the Senior Secured Leverage Ratio immediately prior to such amalgamation, and evidenced by a certificate from the chief financial officer of Canadian Borrower demonstrating such compliance calculation in reasonable detail, (v) the Successor Canadian Borrower shall have no Indebtedness after giving effect to the Permitted Holdings Amalgamation other than Indebtedness of Canadian Borrower in existence prior to the date of the Permitted Holdings Amalgamation and the Subordinated Debt Loan so long as the Subordinated Debt Loan shall have been amended in a manner satisfactory to the Funding Agent to reflect the subordination of the Subordinated Debt Loan to Canadian Borrower's Secured Obligations and the Subordinated Debt Loan, if any, has been pledged by AV Metals as security for its guarantee of the Secured Obligations in a manner satisfactory to the Administrative Agent, (vi) each other Guarantor, shall have by a confirmation in form and substance reasonably satisfactory to the Administrative Agent, confirmed that its guarantee of the Guaranteed Obligations (including its Guarantee) shall apply to the Successor Canadian Borrower's obligations under this Agreement, (vii) Canadian Borrower and each other Guarantor shall have by confirmations and any required supplements to the applicable Security Documents reasonably requested by the Administrative Agent, in each case, in form and substance reasonably satisfactory to the Administrative Agent, confirmed that its obligations thereunder shall apply to the Successor Canadian Borrower's obligations under this Agreement and (viii) each Loan Party shall have delivered opinions of counsel and related officers' certificates reasonably requested by the Administrative Agent with respect to the execution and delivery and enforceability of the documents referred to above and the compliance of such amalgamation with the provisions hereof, and all such opinions of counsel shall be satisfactory to the Administrative Agent; and provided, further, that (x) if the foregoing are satisfied, (1) AV Metals will be substituted for and assume all obligations of AV Aluminum under this Agreement and each of the other Loan Documents and (2) the Successor Canadian Borrower shall be substituted for Novelis Inc. under this Agreement and each of the other Loan Documents and all references hereunder and under the other Loan Documents to Canadian Borrower shall be references to the Successor Canadian Borrower and (y) notwithstanding any provision of Section 11.02, the Agents are hereby authorized by the Lenders to make any amendments to the Loan Documents that are necessary to reflect such changes in the parties to the applicable Loan Documents.

"**Permitted Holdings Indebtedness**" shall mean unsecured Indebtedness of Holdings (i) with respect to which no Borrower or Subsidiary has any Contingent Obligation, (ii) that will not mature prior to the 180th day following the Final Maturity Date, (iii) that has no scheduled amortization of principal prior to the 180th day following the Final Maturity Date, (iv) does not require any payments in cash of interest or other amounts in respect of the principal thereof (other than optional redemption provisions customary for senior discount or "pay-in-kind" notes) for a number of years from the date of issuance or incurrence thereof equal to at least one-half of the term to maturity thereof, (v) has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior discount or "pay-in-kind" notes of an issuer that is the parent of a borrower under senior secured asset based revolving credit facilities and (vi) that is issued to a person that is not an Affiliate of Canadian Borrower or any of its

Subsidiaries in an arm's-length transaction on fair market terms; provided that at least five Business Days prior to the incurrence of such Indebtedness, a Responsible Officer of Holdings shall have delivered a certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Permitted Liens**" shall have the meaning assigned to such term in Section 6.02.

"**Permitted Refinancing**" shall mean, with respect to any person, any refinancing or renewal of any Indebtedness of such person; provided that (a) (i) in the case of any such refinancing or renewal of the Subordinated Debt Loan, if the aggregate principal amount (or accreted value, if applicable) of such refinancing or renewal exceeds the aggregate principal amount (or accreted value, if applicable) of the Indebtedness so refinanced or renewed plus accrued interest thereon and reasonable fees and expenses payable in connection with such refinancing, the amount of any such excess is contributed by Holdings to Canadian Borrower concurrently with such refinancing or renewal and (ii) in the case of any refinancing or renewal of any other Indebtedness, the aggregate principal amount (or accreted value, if applicable) thereof does not exceed the aggregate principal amount (or accreted value, if applicable) of the Indebtedness so refinanced or renewed except by an amount equal to unpaid accrued interest and premium thereon and any make-whole payments applicable thereto plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal and by an amount equal to any existing commitments unutilized thereunder, (b) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being refinanced or renewed (excluding the effects of nominal amortization in the amount of no greater than one percent per annum and prepayments of Indebtedness), (c) no Default is then continuing or would result therefrom, (d) the persons that are (or are required to be) obligors under such refinancing or renewal are the same persons as those that are (or are required to be) obligors under the Indebtedness being so refinanced or renewed (or, in the case of a Permitted Refinancing of the Senior Notes, such obligors are Loan Parties (other than Holdings)) and (e) the subordination provisions thereof (if any) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Indebtedness being so refinanced or renewed; provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of Administrative Borrower shall have delivered an Officers' Certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Permitted Revolving Credit Facility Refinancing**" shall mean any refinancing or renewal of the Indebtedness incurred under the Revolving Credit Loan Documents; provided that (a) the aggregate principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such refinancing or renewal, shall not exceed the Maximum Revolving Credit Facility Amount then in effect plus an amount equal to unpaid accrued interest and premium on the Indebtedness being so refinanced or renewed plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing or renewal,

(b) the "Applicable Margin" or similar component of the interest rate or yield provisions applicable to such Indebtedness, after giving effect to such refinancing or renewal, is not increased from the highest "Applicable Margin" set forth in the Revolving Credit Loan Documents as of the Closing Date by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate specified in the Revolving Credit Agreement), (c) such refinancing or renewal has a final maturity date equal to or later than the final maturity date of the Indebtedness being so refinanced or renewed, (d) no Default is existing or would result therefrom and (e) the persons that are (or are required to be) obligors under such refinancing or renewal are the same persons as those that are (or are required to be) obligors under the Indebtedness being so refinanced or renewed (unless, in the case of a refinancing of Indebtedness of a Loan Party, such persons are or become obligors under the Loan Documents); provided that at least five Business Days prior to the incurrence of such refinancing or renewal, a Responsible Officer of Administrative Borrower shall have delivered an Officers' Certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto) certifying that Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements.

"**Permitted Uses**" shall mean, as to any person, (a) investments in Cash Equivalents, (b) the payment of Capital Lease Obligations of such person, (c) Capital Expenditures of such person, (d) the payment of trade payables in the ordinary course of its business, and (e) the payment of its Taxes and other statutory obligations.

"**person**" or "**Person**" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Plan**" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Company or its ERISA Affiliate or with respect to which any Company could incur liability (including under Section 4069 of ERISA).

"**Platform**" shall have the meaning assigned to such term in Section 11.01(d).

"**Pledged Intercompany Notes**" shall mean, with respect to each Loan Party, all intercompany notes described in Schedule 11 to the Perfection Certificate as of the Closing Date and intercompany notes hereafter acquired by such Loan Party and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"**Pledged Securities**" shall mean, collectively, with respect to each Loan Party, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 10 to the Perfection Certificate as of the Closing Date as being owned by such Loan Party and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests in each such issuer or under any

Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any issuer, which Equity Interests are hereafter acquired by such Loan Party (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Loan Party (including by issuance), together with all rights, privileges, authority and powers of such Loan Party relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Loan Party in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Loan Party in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests.

"**Post-Increase Lenders**" shall have the meaning assigned to such term in Section 2.23(d).

"**PPSA**" shall mean the Personal Property Security Act (Ontario) and the regulations promulgated thereunder and other applicable personal property security legislation of the applicable Canadian province or provinces in respect of the Canadian Loan Parties (including the Civil Code of Quebec and the regulations respecting the register of personal and movable real rights promulgated thereunder) as all such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto.

"**Pre-Increase Lenders**" shall have the meaning assigned to such term in Section 2.23(d).

"**Preferred Stock**" shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person whether now outstanding or issued after the Closing Date.

"**Preferred Stock Issuance**" shall mean the issuance or sale by Holdings or any of its Subsidiaries of any Preferred Stock after the Closing Date.

"**Prepayment Offer Amounts**" shall have the meaning assigned to such term in Section 2.10(i)(ii).

"**Prepayment Offer Notice**" shall have the meaning assigned to such term in Section 2.10(i)(ii).

"**Principal Jurisdiction**" shall mean the United States, Canada, the United Kingdom, Switzerland, Germany and any state, province or other political subdivision of the foregoing.

"**Pro Forma Basis**" shall mean on a basis in accordance with GAAP and Regulation S-X and otherwise reasonably satisfactory to the Administrative Agent.

"**Pro Rata Percentage**" of any Lender at any time shall mean the percentage of the sum of the total outstanding Loans and unused Commitments of all Lenders represented by such Lender's outstanding Loans and unused Commitments.

"**Process Agent**" shall have the meaning assigned to such term in Section 11.09(d).

"**property**" shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests or other ownership interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property.

"**Property Material Adverse Effect**" shall mean, with respect to any Mortgaged Property, as of any date of determination and whether individually or in the aggregate, any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably be expected to cause or result in) a material adverse effect on (a) the business or operations of any Company as presently conducted at the Mortgaged Property; (b) the value or utility of the Mortgaged Property; or (c) the legality, priority or enforceability of the Lien created by the Mortgage or the rights and remedies of the Mortgagee thereunder.

"**PTR Scheme**" shall mean the Provisional Treaty Relief scheme as described in the HM Revenue & Customs (formerly the Inland Revenue Guidelines dated January 2003 and administered by HM Revenue & Customs' Centre for Non-Residents.

"**Purchase Money Obligation**" shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any property (including Equity Interests of any person) or the cost of installation, construction or improvement of any property and any refinancing thereof; provided, however, that (i) such Indebtedness is incurred within one year after such acquisition, installation, construction or improvement of such property by such person and (ii) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, installation, construction or improvement, as the case may be.

"**Qualified Capital Stock**" of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

"**Real Property**" shall mean, collectively, all right, title and interest (including any freehold, leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Receivable**" shall mean the indebtedness and other obligations owed to any Company (other than any Loan Party or any Company organized under the laws of Germany) (at the time such indebtedness and other obligations arise, and before giving effect to any transfer or conveyance contemplated under any Securitization Facility documentation) or in which such person has a security interest or other interest, including any indebtedness, obligation or interest constituting an Account, contract right, payment intangible, promissory note, chattel paper,

instrument, document, investment property, financial asset or general intangible, arising in connection with the sale of goods or the rendering of services by such person, and further includes, the obligation to pay any finance charges with respect thereto.

"**Receivables Purchase Agreement**" shall mean the receivables purchase agreement and any related servicing agreements between the German Seller, on the one hand, and Novelis AG, on the other hand, in substantially the form of Exhibit R or otherwise in form and substance reasonably satisfactory to the Administrative Agent, in each case providing, *inter alia*, for the sale and transfer of Accounts by the German Seller to Novelis AG, as each such agreement may be amended, modified, supplemented or replaced from time to time in accordance with the terms thereof.

"**Receiver**" shall mean a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Collateral, and that term will include any appointee under a joint and/or several appointments.

"**Refinancing**" shall mean the repayment in full and the termination of any commitment to make extensions of credit under all of the outstanding indebtedness listed on Schedule 1.01(a) of Canadian Borrower or any of its Subsidiaries.

"**Register**" shall have the meaning assigned to such term in Section 11.04(c).

"**Regulation**" shall have the meaning assigned to such term in Section 3.27.

"**Regulation D**" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation S-X**" shall mean Regulation S-X promulgated under the Securities Act.

"**Regulation T**" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Related Business Assets**" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by any Loan Party in exchange for assets transferred by a Loan Party shall not be deemed to be Related Business Assets if they consist of securities of a person, unless upon receipt of the securities of such person, such person would become a Loan Party.

"**Related Parties**" shall mean, with respect to any person, such person's Affiliates and the partners, directors, officers, employees, agents and advisors of such person and of such person's Affiliates.

“**Related Security**” shall mean, with respect to any Receivable, all of the applicable Securitization Subsidiary’s interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale of which by the applicable Company gave rise to such Receivable, and all insurance contracts with respect thereto, all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable, all guaranties, letters of credit, letter-of-credit rights, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the contract related to such Receivable or otherwise, all service contracts and other contracts and agreements associated with such Receivable, all records related to such Receivable, and all of the applicable Securitization Subsidiaries’ right, title and interest in, to and under the applicable Securitization Facility documentation.

“**Release**” shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

“**Required Class Lenders**” shall mean, with respect to any Class of Loans, Lenders having more than 50% of the sum of all Loans and unused Commitments (if any) of such Class outstanding.

“**Required Lenders**” shall mean Lenders having more than 50% of the sum of all Loans outstanding and unused Commitments (if any).

“**Requirements of Law**” shall mean, collectively, any and all legally binding requirements of any Governmental Authority including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law.

“**Response**” shall mean (a) “response” as such term is defined in CERCLA, 42 U.S.C. § 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to (i) clean up, remove, treat, abate or in any other way address any Hazardous Material in the Environment; (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material; or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

“**Responsible Officer**” shall mean, with respect to any Person, any of the principal executive officers, managing members or general partners of such Person but, in any event, with respect to financial matters, the chief financial officer, treasurer or controller of such person.

“**Restricted Grantor**” shall mean a Loan Party that has granted a Guarantee that is subject to limitations that impair in any material respect the benefit of such Guarantee (as determined by the Administrative Agent in its reasonable discretion) (it being expressly understood and agreed that (i) no Loan Party that is Canadian Borrower, a Canadian Guarantor, a U.K. Guarantor, U.S. Borrower or a U.S. Guarantor shall be a Restricted Grantor and (ii) except

as may be otherwise determined by the Administrative Agent in its reasonable discretion, each Loan Party that is a German Guarantor, an Irish Guarantor, a Swiss Guarantor or a Brazilian Guarantor shall be a Restricted Grantor).

"**Revolving Credit Agents**" shall mean the "Agents" (as defined in the Revolving Credit Loan Documents, including the Revolving Credit Funding Agent, the Revolving Credit Canadian Administrative Agent and the Revolving Credit Collateral Agent).

"**Revolving Credit Agreement**" shall mean (i) that certain credit agreement dated as of the date hereof among the Loan Parties, the Revolving Credit Lenders, ABN AMRO Bank N.V., as U.S./European issuing bank, as U.S. swingline lender, and as administrative agent, the Revolving Credit Canadian Administrative Agent, ABN AMRO Bank N.V., acting through its Canadian branch, as Canadian issuing bank and as Canadian funding agent, the Revolving Credit Collateral Agent, the Revolving Credit Funding Agent, UBS Securities LLC, as syndication agent, Bank of America, N.A., National City Business Credit, Inc. and CIT Business Credit Canada Inc., as documentation agents, and ABN AMRO Incorporated and UBS Securities LLC, as joint lead arrangers and joint bookmanagers, as amended, restated, supplemented or modified from time to time to the extent permitted by this Agreement and the Intercreditor Agreement and (ii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend (subject to the limitations set forth herein and in the Intercreditor Agreement) or refinance in whole or in part the indebtedness and other obligations outstanding under the (x) credit agreement referred to in clause (i) or (y) any subsequent Revolving Credit Agreement, in each case which constitutes a Permitted Revolving Credit Facility Refinancing with respect to the Revolving Credit Loans, unless such agreement or instrument expressly provides that it is not intended to be and is not a Revolving Credit Agreement hereunder. Any reference to the Revolving Credit Agreement hereunder shall be deemed a reference to any Revolving Credit Agreement then in existence.

"**Revolving Credit Canadian Administrative Agent**" shall mean ABN AMRO Bank N.V., acting through its Canadian branch, in its capacity as Canadian administrative agent under the Revolving Credit Agreement, and its successors and assigns in such capacity.

"**Revolving Credit Canadian Funding Agent**" shall mean ABN AMRO Bank N.V., acting through its Canadian branch, in its capacity as Canadian funding agent under the Revolving Credit Agreement, and its successors and assigns in such capacity.

"**Revolving Credit Collateral Agent**" shall mean LaSalle Business Credit, LLC, in its capacity as collateral agent under the Revolving Credit Agreement, and its successors and assigns in such capacity.

"**Revolving Credit Commitments**" shall mean the commitments of the Revolving Credit Lenders to make Revolving Credit Loans under the Revolving Credit Agreement.

"**Revolving Credit Funding Agent**" shall mean LaSalle Business Credit, LLC, in its capacity as funding agent under the Revolving Credit Agreement, and its successors and assigns in such capacity.

“**Revolving Credit Lenders**” shall mean the banks, financial institutions and other entities from time to time party to the Revolving Credit Agreement as lenders.

“**Revolving Credit Loan Documents**” shall mean the Revolving Credit Agreement and the other “Loan Documents” as defined in the Revolving Credit Agreement, including the mortgages and other security documents, guaranties and the notes issued thereunder.

“**Revolving Credit Loans**” shall mean the revolving loans and swingline loans outstanding under the Revolving Credit Agreement.

“**Revolving Credit Maturity Date**” shall have meaning assigned to the term “Final Maturity Date” in the Revolving Credit Agreement (and any corresponding term in any successor Revolving Credit Agreement permitted hereby).

“**Revolving Credit Obligations**” shall mean the Revolving Credit Loans and the guarantees by the Loan Parties under the Revolving Credit Loan Documents.

“**Revolving Credit Priority Collateral**” shall mean all “Revolving Credit Priority Collateral” as defined in the Intercreditor Agreement.

“**Revolving Credit Secured Parties**” shall mean the Revolving Credit Funding Agent, the Revolving Credit Canadian Administrative Agent, the Revolving Credit Collateral Agent and each other Person that is a “Secured Party” under the Revolving Credit Agreement.

“**Revolving Credit Security Documents**” shall have the meaning assigned to the term “Security Documents” in the Revolving Credit Agreement (and any corresponding term in any successor Revolving Credit Agreement permitted hereby).

“**S&P**” shall mean Standard & Poor’s Rating Services.

“**Sale and Leaseback Transaction**” shall have the meaning assigned to such term in Section 6.03.

“**Sarbanes-Oxley Act**” shall mean the United States Sarbanes-Oxley Act of 2002, as amended, and all rules and regulations promulgated thereunder.

“**Section 347**” shall have the meaning assigned to such term in Section 2.19(a).

“**Secured Debt Agreement**” shall mean (i) this Agreement and (ii) the other Loan Documents.

“**Secured Obligations**” shall mean (a) the Obligations and (b) the due and punctual payment and performance of all obligations of the Borrowers and the other Loan Parties under each Hedging Agreement entered into with any counterparty that is a Secured Party.

“**Secured Parties**” shall mean, collectively, the Administrative Agent, the Collateral Agent, the Administrative Agent, any Receiver or Delegate, each other Agent, the Lenders and each counterparty to a Hedging Agreement with a Loan Party, if at the date of entering into such

Hedging Agreement (or, with respect to Hedging Agreements in effect at the date hereof, at the date hereof) such person was a Lender, Revolving Credit Lender, Arranger or Agent (or an Affiliate of a Lender, Revolving Credit Lender, Arranger or Agent), and in each case, such person executes and delivers to the Administrative Agent a letter agreement substantially in the form of Exhibit Q attached hereto or in such other form as may be acceptable to the Administrative Agent pursuant to which such person (i) appoints the Collateral Agent as its agent under the applicable Loan Documents and (ii) agrees to be bound by the provisions of Section 10.03, Section 10.09, the Intercreditor Agreement and the Security Documents as if it were a Lender.

"**Securities Act**" shall mean the Securities Act of 1933.

"**Securities Collateral**" shall mean, collectively, the Pledged Securities, the Pledged Intercompany Notes and the Distributions.

"**Securitization Assets**" means all existing or hereafter acquired or arising (i) Receivables that are sold, assigned or otherwise transferred pursuant to a Securitization Facility, (ii) the Related Security with respect to the Receivables referred to in clause (i) above, (iii) the collections and proceeds of the Receivables and Related Security referred to in clauses (i) and (ii) above, (iv) all lockboxes, lockbox accounts, collection accounts or other deposit accounts into which such collections are deposited (and in any event excluding any lockboxes, lockbox accounts, collection accounts or deposit accounts that any Loan Party or any Company organized under the laws of Germany has an interest in) and which have been specifically identified and consented to by the Administrative Agent, and (v) all other rights and payments which relate solely to such Receivables.

"**Securitization Facility**" means each transaction or series of related transactions that effect the securitization of Receivables of a person; provided that no Receivables or other property of any Borrower or any Company organized or conducting business in a Principal Jurisdiction shall be subject to a Securitization Facility.

"**Securitization Subsidiary**" means any special purpose financial subsidiary established by a Company for the sole purpose of consummating one or more Securitization Facilities and in respect of which no Company (other than a Securitization Subsidiary) has any obligation to maintain or preserve such Securitization Subsidiary's financial condition or cause such Securitization Subsidiary to achieve specified levels of operating results.

"**Security Agreement**" shall mean each U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement, each Irish Security Agreement, each Brazilian Security Agreement, and each other Security Agreement entered into pursuant to Section 5.11(b), individually and collectively, as the context may require.

"**Security Agreement Collateral**" shall mean all property pledged or granted as collateral pursuant to any Security Agreement (a) on the Closing Date or (b) thereafter pursuant to Section 5.11.

“**Security Documents**” shall mean each Security Agreement, the Mortgages, any Security Trust Deed, and each other security document, deed of trust, charge or pledge agreement delivered in accordance with applicable local or foreign law to grant a valid, perfected security interest in any property as collateral for the Secured Obligations, and all UCC or other financing statements or financing change statements, control agreements, bailee notification letters, or instruments of perfection required by this Agreement, any Security Agreement, any Mortgage or any other such security document, charge or pledge agreement to be filed with respect to the security interests in property and fixtures created pursuant to any Security Agreement or any Mortgage and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as collateral for the Secured Obligations or to perfect, obtain control over or otherwise protect the interest of the Collateral Agent therein.

“**Security Trust Deed**” shall mean any security trust deed to be executed by, among others, the Collateral Agent, the Administrative Agent and any Loan Party granting security over U.K. or Irish assets of any Loan Party.

“**Senior Note Agreement**” shall mean the indenture dated as of February 3, 2005, pursuant to which the Senior Notes were issued and any other indenture, note purchase agreement or other agreement pursuant to which Senior Notes are issued in a Permitted Refinancing of the Senior Notes.

“**Senior Note Documents**” shall mean the Senior Notes, the Senior Note Agreement, the Senior Note Guarantees and all other documents executed and delivered with respect to the Senior Notes or the Senior Note Agreement.

“**Senior Note Guarantees**” shall mean the guarantees of the Loan Parties (other than Holdings) and the other guarantors pursuant to the Senior Note Agreement.

“**Senior Notes**” shall mean Canadian Borrower’s 7-1/4% Senior Notes due 2015 issued pursuant to the Senior Note Agreement and any senior notes issued pursuant to a Permitted Refinancing of the Senior Notes (including the registered notes issued in exchange for Senior Notes with substantially identical terms as the Senior Notes so exchanged).

“**Senior Secured Leverage Ratio**” shall mean, at any date of determination, the ratio of Consolidated Senior Secured Indebtedness on such date to Consolidated Adjusted EBITDA for the four consecutive fiscal quarters of Canadian Borrower then last ended (in each case taken as one accounting period) for which financial statements have been delivered (or if financial statements with respect to the most recently ended fiscal quarter are required to but, have not been delivered, for which financial statements are then required to have been delivered).

“**Significant Event of Default**” shall mean any Event of Default under Section 8.01(a), (b), (g) or (h).

“**Similar Business**” shall mean any business conducted by Canadian Borrower and the other Loan Parties on the Closing Date as described in the Confidential Information Memorandum (or, in the good faith judgment of the Board of Directors, which are substantially related thereto or are reasonable extensions thereof).

“**Specified Holders**” shall mean the Persons listed on Schedule 1.01(e).

“**Spot Selling Rate**” shall mean, on any date of determination, the spot selling rate determined by the Administrative Agent which shall be the spot selling rate posted by Reuters on its website for the sale of the applicable currency for Dollars at approximately 5:00 p.m. (New York City time) on the prior Business Day; provided that if such rate is not available, such rate shall be the spot selling rate posted by the Federal Reserve Bank of New York on its website for the sale of the applicable currency for Dollars at approximately 5:00 p.m. (New York City time) on the prior Business Day.

“**Statutory Reserves**” shall mean, for any Interest Period for any Eurocurrency Borrowing in dollars, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion dollars against “Eurocurrency liabilities” (as such term is used in Regulation D). Eurocurrency Borrowings shall be deemed to constitute Eurocurrency liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

“**Subordinated Debt Loan**” shall mean that certain loan extended by AV Metals to Holdings in the aggregate principal amount of $900,000,000, as evidenced by the Promissory Note, dated May 15, 2007, made by Holdings in favor of AV Metals, as such loan may be increased by any Additional Subordinated Debt Loan or amended, in each case, in accordance with the terms hereof; provided that to the extent the provisions of the definition of Permitted Holdings Amalgamation are complied with, the Subordinated Debt Loan in effect on the Closing Date and any Additional Subordinated Debt Loan incurred after the Closing Date and prior to the date of the Permitted Holdings Amalgamation may become an obligation of the Canadian Borrower after the Permitted Holdings Amalgamation occurs; and provided, further, that all other Subordinated Debt Loans, if any, shall at all times be and remain unsecured obligations solely of Holdings.

“**Subordinated Indebtedness**” shall mean Indebtedness of a Loan Party that is subordinated by its terms (including pursuant to the terms of any subordination agreement, intercreditor agreement, or otherwise) in right of payment to the Obligations of such Loan Party, including the Subordinated Debt Loan.

“**Subsidiary**” shall mean, with respect to any person (the “**parent**”) at any date, (i) any person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the

parent and/or one or more subsidiaries of the parent and (iv) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, "Subsidiary" refers to a Subsidiary of Holdings. Notwithstanding the foregoing, Logan shall not be treated as a Subsidiary hereunder or under the other Loan Documents unless it qualifies as a Subsidiary under clause (ii) of this definition.

"**Subsidiary Guarantor**" shall mean each Subsidiary listed on Schedule 1.01(b), and each other Subsidiary that is or becomes a party to this Agreement as a Subsidiary Guarantor pursuant to Section 5.11.

"**Survey**" shall mean a survey of any Mortgaged Property (and all improvements thereon) which is (a) (i) prepared by a surveyor or engineer licensed to perform surveys in the jurisdiction where such Mortgaged Property is located, (ii) current as of a date which shows all exterior construction on the site of such Mortgaged Property or any easement, right of way or other interest in the Mortgaged Property has been granted or become effective through operation of law or otherwise with respect to such Mortgaged Property which, in either case, can be depicted on a survey, unless otherwise acceptable to the Collateral Agent, (iii) certified by the surveyor (in a manner reasonably acceptable to the Administrative Agent) to the Administrative Agent, the Collateral Agent and the Title Company, (iv) complying in all respects with the minimum detail requirements of the American Land Title Association (or the local equivalent) as such requirements are in effect on the date of preparation of such survey and (v) sufficient for the Title Company to remove all standard survey exceptions from the title insurance policy (or commitment) relating to such Mortgaged Property and issue the endorsements of the type required by Section 4.01(o)(iii) or (b) otherwise acceptable to the Collateral Agent.

"**Swiss Guarantor**" shall mean each Subsidiary of Holdings organized in Switzerland party hereto as a Guarantor, and each other Subsidiary of Holdings organized in Switzerland that is required to become a Guarantor pursuant to the terms hereof.

"**Swiss Security Agreement**" shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-4-1 to 7 among the Swiss Guarantors and the Collateral Agent for the benefit of the Secured Parties.

"**Swiss Withholding Tax**" shall mean any withholding tax in accordance with the Swiss Federal Statute on Anticipatory Tax of 13 October 1965 (*Bundesgesetz uber die Verrechnungssteuer*) and any successor provision, as appropriate.

"**Syndication Agent**" shall have the meaning assigned to such term in the preamble hereto.

"**Tax Return**" shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

"**Taxes**" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, payroll, social security, employment and unemployment taxes, assessments, fees or other charges imposed by any Taxing Authority, including any interest, additions to tax or penalties applicable thereto.

"**Taxing Authority**" shall mean any governmental entity of any jurisdiction or political subdivision thereof with the authority to impose, assess, and collect Taxes and engage in activities of a similar nature with respect to such Taxing Authority.

"**Term Loans**" shall have the meaning assigned to such term in Section 2.01(b).

"**Term Loan Commitments**" shall mean the Canadian Term Loan Commitments and the U.S. Term Loan Commitments, collectively.

"**Term Loan Priority Collateral**" shall mean all "Term Loan Priority Collateral" as defined in the Intercreditor Agreement.

"**Term Loan Repayment Date**" shall have the meaning assigned to such term in Section 2.09.

"**Test Period**" shall mean, at any time, the four consecutive fiscal quarters of Canadian Borrower then last ended (in each case taken as one accounting period).

"**Title Company**" shall mean any title insurance company as shall be retained by Borrower and reasonably acceptable to the Administrative Agent.

"**Title Policy**" shall have the meaning assigned to such term in Section 4.01(o)(iii).

"**Transaction Documents**" shall mean the Loan Documents (other than Hedging Agreements) and the Revolving Credit Loan Documents.

"**Transactions**" shall mean, collectively, the transactions to occur on or prior to the Closing Date pursuant to the Transaction Documents, including (a) the execution, delivery and performance of the Loan Documents and the initial borrowings hereunder; (b) the Refinancing; (c) the execution, delivery and performance of the Revolving Credit Loan Documents and the borrowings thereunder; and (d) the payment of all fees and expenses to be paid on or prior to the Closing Date and owing in connection with the foregoing.

"**Transferred Guarantor**" shall have the meaning assigned to such term in Section 7.09.

"**Type**," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBOR Rate or the Alternate Base Rate.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

"**U.K. Guarantor**" shall mean each Subsidiary of Holdings incorporated in England and Wales party hereto as a Guarantor, and each other Subsidiary of Holdings incorporated in England and Wales that is required to become a Guarantor pursuant to the terms hereof.

“**U.K. Security Agreement**” shall mean, collectively, any Security Agreement substantially in the form of Exhibits M-3-1 to 3 among the U.K. Guarantors and the Collateral Agent for the benefit of the Secured Parties, including the U.K. Share Charge.

“**U.K. Share Charge**” shall mean shall mean a Security Agreement in substantially the form of Exhibit M-3-2, among Canadian Borrower and the Collateral Agent.

“**United States**” shall mean the United States of America.

“**Unrestricted Grantors**” shall mean Loan Parties that are not Restricted Grantors.

“**U.S. Borrower**” shall have the meaning assigned to such term in the preamble hereto.

“**U.S. Guarantor**” shall mean each Subsidiary of Holdings organized in the United States, any state thereof or the District of Columbia, party hereto as a Guarantor, and each other Subsidiary of Holdings organized in the United States, any state thereof or the District of Columbia that is required to become a Guarantor pursuant to the terms hereof.

“**U.S. Loan Parties**” shall mean the U.S. Borrower and the U.S. Guarantors.

“**U.S. Security Agreement**” shall mean a Security Agreement substantially in the form of Exhibit M-1 among Canadian Borrower, the U.S. Loan Parties and the Collateral Agent for the benefit of the Secured Parties.

“**U.S. Term Loan**” shall have the meaning assigned to such term in Section 2.01(a).

“**U.S. Term Loan Commitment**” shall mean shall mean, with respect to each Lender, the commitment, if any, of such Lender to make U.S. Term Loans hereunder up to the amount set forth on Schedule I to the Lender Addendum executed and delivered by such Lender directly under the column entitled “U.S. Term Loan Commitment” or in an Increase Joinder. The aggregate amount of the Lenders’ U.S. Term Loan Commitments on the Closing Date is $660 million.

“**Voting Stock**” shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

“**Weighted Average Life to Maturity**” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“**Wholly Owned Subsidiary**” shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors’ qualifying shares) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership,

association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% equity interest at such time.

"**Wind-Up**" shall have the meaning assigned to such term in Section 6.05(g), and the term "**Winding-Up**" shall have a meaning correlative thereto.

"**Withdrawal Liability**" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"**525 Amortization Amount**" shall have the meaning assigned to such term in Section 2.09(b).

"**525 Catch-Up Date**" shall mean, with respect to any Loan, the date that is five (5) years plus a day following the date of borrowing thereof.

"**525 Collateral Account**" shall have the meaning assigned to such term in Section 2.09(b).

"**525 Prepayment Amount**" shall have the meaning assigned to such term in Section 2.10(h)(vi).

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g*., a "U.S. Term Loan" or a "Canadian Term Loan") or by Type (*e.g*., a "Eurocurrency Loan") or by Class and Type (*e.g*., a "Eurocurrency U.S. Term Loan" or "Eurocurrency Canadian Term Loan"). Borrowings also may be classified and referred to by Class (*e.g*., a "U.S. Term Loan Borrowing") or by Type (*e.g*., a "Eurocurrency Borrowing") or by Class and Type (*e.g*., a "Eurocurrency U.S. Term Loan Borrowing").

SECTION 1.03 Terms Generally; Currency Translation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all

tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (g) "on," when used with respect to the Mortgaged Property or any property adjacent to the Mortgaged Property, means "on, in, under, above or about." For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in dollars, such amounts shall be deemed to refer to Dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate in effect on the Business Day immediately preceding the date of such transaction or determination and the permissibility of actions taken under Article VI shall not be affected by subsequent fluctuations in exchange rates (provided that if Indebtedness is incurred to refinance other Indebtedness, and such refinancing would cause the applicable dollar denominated limitation to be exceeded if calculated at the Spot Selling Rate in effect on the Business Day immediately preceding the date of such refinancing, such dollar denominated restriction shall be deemed not to have been exceeded so long as (x) such refinancing Indebtedness is denominated in the same currency as such Indebtedness being refinanced and (y) the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced except as permitted by the definition of Permitted Refinancing Indebtedness). For purposes of this Agreement and the other Loan Documents, the word "foreign" shall refer to jurisdictions other than the United States, the states thereof and the District of Columbia. From and after the effectiveness of the Permitted Holdings Amalgamation (x) all references to Canadian Borrower in any Loan Document shall refer to the Successor Canadian Borrower and (y) all references to Holdings or Parent Guarantor in any Loan Document shall refer to AV Metals.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with GAAP as in effect from time to time and all terms of an accounting or financial nature shall be construed and interpreted in accordance with GAAP, as in effect from time to time unless otherwise agreed to by Administrative Borrower and the Required Lenders; provided that (i) if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Administrative Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and Administrative Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Administrative Borrower shall provide to the Administrative Agent and the Lenders any documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

SECTION 1.05 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

ARTICLE II.

THE CREDITS

SECTION 2.01 Commitments.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender with a U.S. Term Loan Commitment agrees, severally and not jointly, to make a Term Loan in Dollars to the U.S. Borrower (each, a "**U.S. Term Loan**") on the Closing Date in the principal amount not to exceed its U.S. Term Loan Commitment.

(b) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender with a Canadian Term Loan Commitment agrees, severally and not jointly, to make a Term Loan in Dollars to Canadian Borrower (each, a "**Canadian Term Loan**" and, together with the U.S. Term Loans, the "**Term Loans**" and each being called a "**Term Loan**") on the Closing Date in the principal amount not to exceed its Canadian Term Loan Commitment.

(c) Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02 Loans.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; provided that the failure of any Lender to make its Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Borrowing shall be in an aggregate principal amount that is not less than (and in integral amounts consistent with) the Minimum Amount.

(b) Subject to Section 2.11 and Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as Administrative Borrower may request pursuant to Section 2.03; provided that all Loans comprising the same Borrowing shall at all times be of the same Type. Each Lender may at its option make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; provided that Borrower shall not be entitled to request any Borrowing that, if made, would result in more than eight (8) Eurocurrency Borrowings of U.S. Term Loans or more than four (4) Eurocurrency Borrowings of Canadian Term Loans outstanding hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 11:00 a.m., New York City time, and the

Administrative Agent shall promptly credit the amounts so received to an account of the applicable Borrower as directed by Administrative Borrower in the applicable Borrowing Request maintained with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and such Borrower severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the greater of the Interbank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and the applicable Borrower's obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease.

(e) Notwithstanding anything to the contrary contained herein, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Final Maturity Date.

SECTION 2.03 Borrowing Procedure.

(a) To request a Borrowing, Administrative Borrower, on behalf of the applicable Borrower, shall deliver, by hand delivery, telecopier or, to the extent separately agreed by the Administrative Agent, by an electronic communication in accordance with the second sentence of Section 11.01(b) and the second paragraph of Section 11.01(d), a duly completed and executed Borrowing Request to the Administrative Agent (i) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing, or (ii) in the case of an ABR Borrowing, not later than 9:00 a.m., New York City time, on the date of the proposed Borrowing. Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing shall constitute a Borrowing of U.S. Term Loans or Canadian Term Loans;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(vi) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c);

(vii) in the case of the initial Credit Extension hereunder or under any Incremental Term Loan Commitments, that the conditions set forth in Section 4.02(b) — (d) have been satisfied as of the date of the notice.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then Administrative Borrower on behalf of the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(b) Appointment of Administrative Borrower. Each Borrower hereby irrevocably appoints and constitutes Administrative Borrower as its agent to request Loans pursuant to this Agreement in the name or on behalf of such Borrower. The Administrative Agent and Lenders may disburse the Loans to such bank account of Administrative Borrower or a Borrower or otherwise make such Loans to a Borrower as Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. Administrative Borrower hereby accepts the appointment by Borrowers to act as the agent of Borrowers and agrees to ensure that the disbursement of any Loans to a Borrower requested by or paid to or for the account of such Borrower shall be paid to or for the account of such Borrower. Each Borrower hereby irrevocably appoints and constitutes Administrative Borrower as its agent to receive statements on account and all other notices from the Agents and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents, including the Intercreditor Agreement. Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower by Administrative Borrower shall be deemed for all purposes to have been made by such Borrower, as the case may be, and shall be binding upon and enforceable against such Borrower to the same extent as if made directly by such Borrower. No purported termination of the appointment of Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to the Administrative Agent and appointment by the Borrowers of a replacement Administrative Borrower.

SECTION 2.04 Repayment of Loans; Evidence of Debt.

(a) Promise to Repay. The U.S. Borrower hereby unconditionally promises to pay to the Administrative Agent, for the account of each applicable Lender, the then unpaid principal amount of each U.S. Term Loan of such Lender on the Final Maturity Date. Canadian Borrower hereby unconditionally promises to pay to the Administrative Agent, for the account of each applicable Lender, the then unpaid principal amount of each Canadian Term Loan of such Lender on the Final Maturity Date. All payments or repayments of Loans made pursuant to this Section 2.04(a) shall be made in Dollars.

(b) Lender and Administrative Agent Records. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Borrower to which such Loan is made, the Type and Class thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded as well as the Borrower which received such Loans; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower to repay the Loans in accordance with their terms.

(c) Promissory Notes. Any Lender by written notice to Administrative Borrower (with a copy to the Administrative Agent) may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the applicable Borrower or Borrowers shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender or its registered assigns in the form of Exhibit K-1 or K-2, as the case may be. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to such payee or its registered assigns.

SECTION 2.05 Fees.

(a) Fees. Canadian Borrower agrees to pay or to cause the applicable Borrower to pay all Fees payable pursuant to the Fee Letter, in the amounts and on the dates set forth therein.

(b) All Fees shall be paid on the dates due, in immediately available funds in dollars, to the Administrative Agent. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06 Interest on Loans.

(a) ABR Loans. Subject to the provisions of Section 2.06(c), the Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin in effect from time to time.

(b) Eurocurrency Loans. Subject to the provisions of Section 2.06(c), the Loans comprising each Eurocurrency Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(c) Default Rate. Notwithstanding the foregoing, if at any time any principal of or interest on any Loan or any fee or other amount payable by the Loan Parties hereunder has not been paid when due, whether at stated maturity, upon acceleration or otherwise and for so long as such amounts have not been paid, all Obligations shall, to the extent permitted by applicable law, bear interest, after as well as before judgment, at a per annum rate equal to (i) in the case of principal of or interest on any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.06 or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in Section 2.06(a) (in either case, the "**Default Rate**").

(d) Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to Section 2.06(c) shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Interest Calculation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and, in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

(f) Currency for Payment of Interest. All interest paid or payable pursuant to this Section 2.06 shall be paid in Dollars.

SECTION 2.07 Termination of Commitments. The Term Loan Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Closing Date.

SECTION 2.08 Interest Elections.

(a) Generally. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, Administrative Borrower may elect to convert such Borrowing to an ABR Borrowing or to rollover or continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. Administrative Borrower may elect different options with respect to different portions (not less than the Minimum Amount) of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising

such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary, Borrowers shall not be entitled to request any conversion, rollover or continuation that, if made, would result in more than eight (8) Eurocurrency Borrowings of U.S. Term Loans or more than four (4) Eurocurrency Borrowings of Canadian Term Loans outstanding hereunder at any one time.

(b) Interest Election Notice. To make an election pursuant to this Section, Administrative Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Interest Election Request to the Administrative Agent not later than the time that a Borrowing Request would be required under Section 2.03 if Administrative Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each Interest Election Request shall be irrevocable. Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated, as applicable, by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration.

Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(c) Automatic Conversion to ABR Borrowings. If an Interest Election Request with respect to a Eurocurrency Borrowing is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Administrative Agent or the Required Lenders may require, by notice to Administrative Borrower, that (i) no outstanding Borrowing may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09 **Amortization of Term Loan Borrowings**.

(a) U.S. Borrower shall pay to the Administrative Agent, for the account of the Lenders, on the dates set forth on Annex II, or if any such date is not a Business Day, on the immediately preceding Business Day (each such date, a "**Term Loan Repayment Date**"), a principal amount of the U.S. Term Loans equal to the amount set forth on Annex II for such date (as adjusted from time to time pursuant to Section 2.10(h)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. Canadian Borrower shall pay to the Administrative Agent, for the account of the Lenders, on each Term Loan Repayment Date, a principal amount of the Canadian Term Loans equal to the amount set forth on Annex II for such date (as adjusted from time to time pursuant to Section 2.10(h)), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) Notwithstanding the foregoing provisions of this Section 2.09, if any scheduled repayment of Canadian Term Loans required under this Section 2.09 (together with the aggregate amount of all prior (x) prepayments of Canadian Term Loans made pursuant to Section 2.10(d), (e) and (g), and Section 2.10(c) (to the extent arising from an Asset Sale of the type described in clause (b) of the definition thereof), and (y) scheduled repayments of Canadian Term Loans made pursuant to this Section 2.09) would result in more than 25.0% of the original outstanding principal amount of the Canadian Term Loans borrowed on any date being repaid on or before the applicable 525 Catch-Up Date, then, solely to the extent necessary to avoid such repayment within such time period, such repayment amount (a "**525 Amortization Amount**") shall be applied *first*, to the prepayment of the U.S. Term Loans in accordance with clauses (iii) through (vi) of Section 2.10(h) and *second*, if no U.S. Term Loans are then outstanding, deposited in the 525 Collateral Account and applied in accordance with Section 2.10(j) on the first day following the 525 Catch-Up Date. The term "**525 Collateral Account**" shall mean a cash collateral account established with a financial institution reasonably satisfactory to the Administrative Agent (which shall not be a Lender or an Affiliate of a Lender) on terms and conditions (and subject to a Control Agreement) reasonably satisfactory to the Administrative Agent and will be subject to a First Priority security interest in favor of the Collateral Agent for the ratable benefit of the Secured Parties to secure the Obligations. Beneficial ownership of all funds held in the Prepayment Collateral Account will remain with Canadian Borrower and Canadian Borrower shall at all times be entitled to access such funds solely for purposes of (i) optional prepayments of Canadian Term Loans in accordance with Section 2.10(a), (ii) mandatory prepayments of Canadian Term Loans in accordance with Section 2.10(j) and (iii) Permitted Uses, and all gains, losses and income from the investment or use of such funds shall be for the account of, and, in the case of gains and income, shall be distributed to, Canadian Borrower.

(c) To the extent not previously paid, all U.S. Term Loans and all Canadian Term Loans shall be due and payable on the Final Maturity Date.

SECTION 2.10 **Optional and Mandatory Prepayments of Loans**.

(a) Optional Prepayments. Borrowers shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section 2.10; provided that each partial prepayment shall be in a principal amount that is not less than

(and in integral amounts consistent with) the Minimum Amount or, if less, the outstanding principal amount of such Borrowing.

(b) Net Cash Proceeds Account. Subject to the terms of the Intercreditor Agreement, the Net Cash Proceeds of any Term Loan Priority Collateral arising from an Asset Sale or Casualty Event which Net Cash Proceeds are being reinvested in accordance with Sections 2.10(c) or (f), respectively, shall be deposited in one or more Net Cash Proceeds Accounts pending final application of such proceeds (and any products of such proceeds) in accordance with the terms hereof (provided that prior to such final application, and without affecting the Borrowers' obligations under Sections 2.10(c) and (f), such proceeds may be utilized to make repayments of the Revolving Credit Loans without reducing Revolving Credit Commitments).

(c) Asset Sales. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds of any Asset Sale by Holdings or any of its Subsidiaries, Borrowers shall make prepayments and prepayment offers in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that:

(i) no such prepayment or prepayment offer shall be required under this Section 2.10(c) with respect to (A) any Asset Sale permitted by Section 6.06 other than clauses (b), (i) and (k) thereof, (B) the disposition of property which constitutes a Casualty Event, or (C) Asset Sales for fair market value resulting in less than $5 million in Net Cash Proceeds in any fiscal year; and

(ii) so long as no Event of Default shall then exist or would arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that Administrative Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such Net Cash Proceeds are expected to be reinvested in fixed or capital assets or to make Permitted Acquisitions (and, in the case of Net Cash Proceeds from an Asset Sale made pursuant to Section 6.06(k), such Net Cash Proceeds may also be used to make investments in joint ventures so long as a Company owns at least 50% of the Equity Interests in such joint venture) within 365 days following the date of such Asset Sale (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); provided that if all or any portion of such Net Cash Proceeds is not so reinvested within such 365-day period, such unused portion shall be applied on the last day of such period to mandatory prepayments and prepayment offers as provided in this Section 2.10(c); provided, further, that if the property subject to such Asset Sale constituted Collateral, then all property purchased with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the Lien of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Sections 5.11 and 5.12.

(d) Debt Issuance or Preferred Stock Issuance. Not later than one (1) Business Day following the receipt of any Net Cash Proceeds of any Debt Issuance or Preferred Stock Issuance by Holdings or any of its Subsidiaries, Borrowers shall make prepayments in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that if, at the time of any such prepayment with the Net Cash Proceeds of any Preferred Stock Issuance pursuant to this Section 2.10(d) Excess Availability shall be less than $90 million immediately prior to or after giving effect to such prepayment and all extensions of credit under

the Revolving Credit Agreement on such date, such prepayment shall be applied *first*, to the repayment of outstandings under the Revolving Credit Agreement until Excess Availability (after giving effect to all extensions of credit under the Revolving Credit Agreement on such date) equals $90 million and *second*, to the extent of any remaining amounts, to make prepayments in accordance with Sections 2.10(h) and (i).

(e) Equity Issuance. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds of any Equity Issuance, Borrowers shall make prepayments in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 50% of such Net Cash Proceeds; provided, however, that if on the date of such Equity Issuance, (i) no Default has occurred and is continuing and (ii) the Senior Secured Leverage Ratio is less than 3.0 to 1.0, then no such prepayment shall be required to be made in respect of such Equity Issuance; provided, further, that this clause (e) shall not apply to the proceeds of any Qualified Capital Stock issued by Holdings after the Closing Date to the Acquiror or any of its Affiliates; and provided, further, that if, at the time of any such prepayment pursuant to this Section 2.10(e) Excess Availability shall be less than $90 million immediately prior to or after giving effect to such prepayment and all extensions of credit under the Revolving Credit Agreement on such date, such prepayment shall be applied *first*, to the repayment of outstandings under the Revolving Credit Agreement until Excess Availability (after giving effect to all extensions of credit under the Revolving Credit Agreement on such date) equals $90 million and *second*, to the extent of any remaining amounts, to make prepayments in accordance with Sections 2.10(h) and (i).

(f) Casualty Events. Not later than three (3) Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by Holdings or any of its Subsidiaries, Borrowers shall make prepayments and prepayment offers in accordance with Section 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; provided that:

(i) so long as no Event of Default shall then exist or arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that (A) in the event such Net Cash Proceeds exceed $1 million but shall not exceed $20 million, Administrative Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such proceeds are expected to be used, or (B) in the event that such Net Cash Proceeds exceed $20 million, the Administrative Agent (to the extent such Casualty Event relates to Term Loan Priority Collateral) has agreed by notice to Administrative Borrower on or prior to such date to allow such proceeds to be used, in each case, to repair, replace or restore any property in respect of which such Net Cash Proceeds were paid or to reinvest in other fixed or capital assets, no later than 365 days following the date of receipt of such proceeds; provided that if the property subject to such Casualty Event constituted Collateral under the Security Documents, then all property purchased with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the Lien of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Sections 5.11 and 5.12; and

(ii) if any portion of such Net Cash Proceeds shall not be so applied within such 365-day period, such unused portion shall be applied on the last day of such period to mandatory prepayments and prepayment offers as provided in this Section 2.10(f).

(g) Excess Cash Flow. No later than five (5) Business Days after the earlier of (i) 90 days after the end of each Excess Cash Flow Period and (ii) the date on which the financial statements with respect to such fiscal year in which such Excess Cash Flow Period occurs are delivered pursuant to Section 5.01(a), Borrower shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount equal to 50% of Excess Cash Flow for the Excess Cash Flow Period then ended; provided, however, that if (i) on the date such prepayment is required to be made, no Event of Default has occurred and is continuing, and (ii) the Senior Secured Leverage Ratio, as of the last day of such Excess Cash Flow Period, is less than 3.0 to 1.0, then such percentage shall be 25%.

(h) Application of Prepayments and Prepayment Offers. (i) In the event any optional prepayment, or any mandatory prepayment pursuant to Section 2.10(d), (e) or (g) or Section 2.10(c) (to the extent arising from an Asset Sale of the type described in clause (b) of the definition thereof) is made at a time when Term Loan Borrowings of more than one Class remain outstanding, the aggregate amount of such prepayment shall be allocated between the U.S. Term Loans and the Canadian Term Loans in the manner directed by Administrative Borrower.

(ii) Amounts required to be applied to mandatory prepayments and prepayment offers pursuant to Section 2.10(c) (except to the extent arising from an Asset Sale of the type described in clause (b) of the definition thereof) and (f) shall be allocated between the U.S. Term Loans and the Canadian Term Loans in the manner directed by Administrative Borrower. Amounts allocated in respect of the U.S. Term Loans shall be applied as mandatory prepayments as set forth below in this Section 2.10(h) and amounts allocated in respect of Canadian Term Loans shall be offered for prepayment as set forth in Section 2.10(i)(ii).

(iii) Prior to any optional or mandatory prepayment and/or prepayment offer hereunder, Administrative Borrower shall select the Borrowing or Borrowings to be prepaid and/or offered to be prepaid and shall specify such selection in the notice of such prepayment and/or prepayment offer pursuant to Section 2.10(i), subject to the provisions of this Section 2.10(h); provided that after an Event of Default has occurred and is continuing or after the acceleration of the Obligations, Section 8.03 shall apply.

(iv) Any prepayments of any Class of Term Loans pursuant to Section 2.10(a), (c), (d), (e), (f), (g) and (j) shall be applied to reduce scheduled repayments of such Class of Term Loans required under Section 2.09 on a *pro rata* basis among the repayments of such Class remaining to be made on each Term Loan Repayment Date.

(v) Amounts to be applied pursuant to this Section 2.10 to the prepayment of Term Loans (including any amounts in respect of prepayment offers that have been accepted by Lenders) shall be applied first to reduce outstanding ABR Loans. Any amounts remaining after each such application shall be applied to prepay Eurocurrency Loans.

(vi) Notwithstanding any of the foregoing, (A) if the amount of any prepayment of Loans required under this Section 2.10 shall be in excess of the amount of the ABR Loans at the time outstanding (an "**Excess Amount**"), only the portion of the amount of such prepayment as is equal to the amount of such outstanding ABR Loans shall be immediately prepaid and, at the election of Administrative Borrower, the Excess Amount shall be either (1) deposited in an

escrow account on terms satisfactory to the Collateral Agent and applied to the prepayment of Eurocurrency Loans on the last day of the then next-expiring Interest Period for Eurocurrency Loans; provided that (i) interest in respect of such Excess Amount shall continue to accrue thereon at the rate provided hereunder for the Loans which such Excess Amount is intended to repay until such Excess Amount shall have been used in full to repay such Loans and (ii) at any time while a Default has occurred and is continuing, the Administrative Agent may, and upon written direction from the Required Lenders shall, apply any or all proceeds then on deposit to the payment of such Loans in an amount equal to such Excess Amount or (2) prepaid immediately, together with any amounts owing to the Lenders under Section 2.13 and (B) if any prepayment of Canadian Term Loans required under Section 2.10(d), (e) or (g) or Section 2.10(c) (to the extent arising from an Asset Sale of the type described in clause (b) of the definition thereof) (together with the aggregate amount of all prior (x) prepayments of Canadian Term Loans made pursuant to Section 2.10(d), (e) and (g) and Section 2.10(c) (to the extent arising from an Asset Sale of the type described in clause (b) of the definition thereof) and (y) scheduled repayments of Canadian Term Loans made pursuant to Section 2.09) would result in more than 25.0% of the original outstanding principal amount of the Canadian Term Loans borrowed on any date being repaid on or before the applicable 525 Catch-Up Date, then, solely to the extent necessary to avoid such repayment within such time period, such prepayment amount (a "**525 Prepayment Amount**") shall be applied *first*, to the prepayment of the U.S. Term Loans in accordance with clauses (iii) through (vi) of Section 2.10(h) and *second*, if no U.S. Term Loans are then outstanding, deposited in the 525 Collateral Account and applied in accordance with Section 2.10(j) on the first day following the 525 Catch-Up Date (and, prior to such date, as permitted by the final sentence of Section 2.09(b)).

(i) Notice of Prepayments and Prepayment Offers. (i) Administrative Borrower shall notify the Administrative Agent by written notice of any prepayment hereunder (A) in the case of prepayment of a Eurocurrency Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment, and (B) in the case of prepayment of a ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof.

(ii) With respect to any amounts in respect of the Net Cash Proceeds of Asset Sales or Casualty Events that are allocated to Canadian Term Loans pursuant to Section 2.10(h)(ii) (such amounts, the "**Prepayment Offer Amounts**"), Administrative Borrower will, on the applicable payment date specified in Section 2.10(c) or (f), as the case may be, notify the Administrative Agent by telephonic notice (promptly confirmed in writing) specifying the Type of each Canadian Term Loan being offered to be prepaid and the principal amount of each such Loan (or portion thereof) being offered to be prepaid, and shall provide to each Lender that holds a Canadian Term Loan notice of such prepayment offer (each, a "**Prepayment Offer Notice**"). Each Prepayment Offer Notice shall (A) include an offer by Canadian Borrower to prepay on the date that is five (5) Business Days after the date of the Prepayment Offer Notice, the relevant Canadian Term Loans of such Lender in an amount equal to the portion of the Prepayment Offer Amount indicated in such Lender's Prepayment Offer Notice as being applicable to such

Lender's Canadian Term Loans (which shall equal such Lender's ratable share of the Prepayment Offer Amounts, based on the proportion that such Lender's Canadian Tem Loans bears to all Canadian Term Loans), (B) specify the principal amount of each Borrowing or portion thereof being offered to be prepaid and (C) set forth the option of such Lender to (x) accept or decline such offer or (y) accept such offer and accept or decline Prepayment Offer Amounts declined by other Lenders. Each such Lender shall notify the Administrative Agent no later than 12:00 Noon, New York City time on the second Business Day immediately preceding the date on which such prepayment is to be made of its intent to accept such offer for prepayment or decline such offer (and, if such offer is accepted by such Lender, the amount of Canadian Term Loans with respect to which such Lender shall elect to accept the offer of prepayment and whether such Lender shall accept Prepayment Offer Amounts declined by other Lenders); provided that to the extent any such Lender shall not notify the Administrative Agent by such time, such Lender shall be deemed to have accepted such offer for prepayment and not elected to accept any such declined Prepayment Offer Amounts. After application of Prepayment Offer Amounts to mandatory prepayments of the Canadian Term Loans pursuant to this Section, and to the extent there are Prepayment Offer Amounts remaining after such application, an amount equal to the total of such amounts shall be applied to the prepayment of the U.S. Term Loans in accordance with clauses (iii) through (vi) of Section 2.10(h).

(iii) Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Credit Extension of the same Type as provided in Section 2.02(a), except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

(j) On the first day following the 525 Catch-Up Date with respect to any Canadian Term Loans, such Canadian Term Loans shall be prepaid, in accordance with clauses (iii) through (vi) of Section 2.10(h), in an amount equal to the aggregate of all 525 Amortization Amounts and 525 Prepayment Amounts originally deposited in the 525 Collateral Account in respect of prepayments and amortization payments on such Canadian Term Loans (and without regard to the amount actually on deposit on the 525 Collateral Account at such time); provided that the amount of any such prepayment shall be decreased by the amount of any optional prepayments of such Canadian Term Loans made with funds held in the 525 Collateral Account.

SECTION 2.11 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent determines (which determination shall be final and conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBOR Rate for such Interest Period; or

(b) the Administrative Agent is advised in writing by the Required Lenders that the Adjusted LIBOR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give written notice thereof to Administrative Borrower and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies Administrative Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurocurrency Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.12 Yield Protection; Change in Law Generally.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in, by any Lender (except any reserve requirement reflected in the Adjusted LIBOR Rate);

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Eurocurrency Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.15 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or

(iii) impose on any Lender or the interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then, upon request of such Lender, Borrowers will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines (in good faith, but in its sole absolute discretion) that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.12 and delivered to Administrative

Borrower shall be conclusive absent manifest error. Borrowers shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrowers shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender, as the case may be, notifies Administrative Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Change in Legality Generally. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurocurrency Loan or to give effect to its obligations as contemplated hereby with respect to any Eurocurrency Loan, then, upon written notice by such Lender to Administrative Borrower and the Administrative Agent:

(i) the Commitments of such Lender (if any) to fund the affected Type of Loan shall immediately terminate; and

(ii) (x) such Lender may declare that Eurocurrency Loans will not thereafter (for the duration of such unlawfulness) be continued for additional Interest Periods and ABR Loans will not thereafter (for such duration) be converted into Eurocurrency Loans, whereupon any request to convert an ABR Borrowing to a Eurocurrency Borrowing or to continue a Eurocurrency Borrowing for an additional Interest Period shall, as to such Lender only, be deemed a request to continue an ABR Loan as such, or to convert a Eurocurrency Loan into an ABR Loan, as the case may be, unless such declaration shall be subsequently withdrawn and (y) all such outstanding Eurocurrency Loans made by such Lender shall be automatically converted to ABR Loans on the last day of the then current Interest Period therefor or, if earlier, on the date specified by such Lender in such notice (which date shall be no earlier than the last day of any applicable grace period permitted by applicable law).

SECTION 2.13 Breakage Payments. In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Eurocurrency Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan earlier than the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Loan on the date specified in any notice delivered pursuant hereto or (d) the assignment of any Eurocurrency Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by Administrative Borrower pursuant to Section 2.16(c), then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of any Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not

occurred, at the Adjusted LIBOR Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) (excluding, however, the Applicable Margin included therein, if any), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits of a comparable currency, amount and period from other banks in the applicable interbank market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to Administrative Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within five (5) days after receipt thereof.

SECTION 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments Generally. Each Loan Party shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest or fees, or of amounts payable under Section 2.12, Section 2.13, Section 2.15, Section 2.16 or Section 11.03, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due, in immediately available funds, without setoff, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 677 Washington Boulevard, Stamford, Connecticut, except that payments pursuant to Section 2.12, Section 2.13, Section 2.15, Section 2.16 and Section 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in dollars, except as expressly specified otherwise.

(b) Pro Rata Treatment.

(i) Each payment by Borrowers of interest in respect of the Loans of any Class shall be applied to the amounts of such obligations owing to the Lenders *pro rata* according to the respective amounts then due and owing to the Lenders, except in the case of holders of Canadian Term Loans that have declined prepayment offers with respect to interest on the principal amount prepaid in such offer.

(ii) Each payment by Borrowers on account of principal of the Borrowings of any Class shall be made *pro rata* according to the respective outstanding principal amounts of the Loans of such Class then held by the Lenders, except in the case of holders of Canadian Term Loans that have declined prepayment offers.

(c) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) *first*, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second*, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(d) Sharing of Set-Off. Subject to the terms of the Intercreditor Agreement, if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other Obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Loan Party pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to any Loan Party or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(d) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(d) to share in the benefits of the recovery of such secured claim.

(e) Borrower Default. Unless the Administrative Agent shall have received notice from Administrative Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the applicable Borrower will not make such payment, the Administrative Agent may assume that the applicable Borrower have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, as the case may be, the amount due. In such event, if the

applicable Borrower have not in fact made such payment, then each of the Lenders, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Interbank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) Lender Default. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), Section 2.14(e) or Section 11.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.15 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if any Loan Party shall be required by applicable Requirements of Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) such Loan Party shall increase the sum payable as necessary so that after all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) each Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Loan Party shall make such deductions and (iii) the applicable Loan Party shall timely pay the full amount deducted to the relevant Taxing Authority in accordance with applicable Requirements of Law.

(b) Payment of Other Taxes by Borrowers. Without limiting the provisions of paragraph (a) above, each Loan Party shall timely pay any Other Taxes to the relevant Taxing Authority in accordance with applicable Requirements of Law.

(c) Indemnification by Loan Parties. Each Loan Party shall indemnify each Agent and each Lender, within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to Administrative Borrower by a Lender (with a copy to the Administrative Agent), or by an Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. No Borrower shall be obliged to provide indemnity under this Section where the Indemnified Tax or Other Tax in question is (i) compensated for by an increased payment under Sections 2.12(a)(ii) or 2.15(a) or (ii) would have been compensated for by an increased payment under Section 2.15(a) but was not so compensated solely because of one of the exclusions in that Section.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Taxing Authority, the relevant Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Taxing Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the applicable Loan Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, to the extent it may lawfully do so, deliver to Administrative Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable Requirements of Law or reasonably requested by Administrative Borrower or the Administrative Agent (and from time to time thereafter, as requested by Administrative Borrower or Administrative Agent), such properly completed and executed documentation prescribed by applicable Requirements of Law or any subsequent replacement or substitute form that may lawfully be provided as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Administrative Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Requirements of Law or reasonably requested by Administrative Borrower or the Administrative Agent as will enable the applicable Loan Parties or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements; provided, however, that Administrative Borrower may treat any Agent or Lender as an "exempt recipient" based on the indicators described in Treasury Regulations Section 1.6049-4(c) and if it may be so treated, such Agent or Lender shall not be required to provide such documentation, except to the extent such documentation is required pursuant to the Treasury Regulations promulgated under the Code Section 1441.

Each Lender which so delivers any document requested by Administrative Borrower or Administrative Agent in this Section 2.15(e) further undertakes to deliver to Administrative Borrower (with a copy to Administrative Agent), upon request of Administrative Borrower or Administrative Agent, copies of such requested form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by Administrative Borrower or Administrative Agent, in each case, unless an event (including any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required that renders all such forms inapplicable or that would prevent such Lender from duly completing and delivering any such form with respect to it. For avoidance of doubt, Borrowers shall not be required to pay additional amounts to any Lender or Administrative Agent pursuant to this Section 2.15(e) to the extent the obligation to pay such additional amount would not have arisen but for the failure of such Lender or Administrative Agent to comply with this paragraph.

(f) Treatment of Certain Refunds. If an Agent or a Lender determines, in its sole discretion, that it has received a refund of, credit against, relief or remission for any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Loan Parties or with respect to which any Loan Party has paid additional amounts pursuant to this Section or Section 2.12(a)(ii), it shall pay to such Loan Party an amount equal to such refund, credit, relief or remission (but

only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund or any additional amounts under Section 2.12(a)(ii)), net of all reasonable and customary out-of-pocket expenses of such Agent or Lender, as the case may be, and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund or any additional amounts under Section 2.12(a)(ii)); provided that each Loan Party, upon the request of such Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) to such Agent or such Lender in the event such Agent or such Lender is required to repay such refund to such Taxing Authority. Nothing in this Agreement shall be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other person. Notwithstanding anything to the contrary, in no event will any Agent or any Lender be required to pay any amount to any Loan Party the payment of which would place such Agent or such Lender in a less favorable net after-tax position than such Agent or such Lender would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

(g) Co-operation. Notwithstanding anything to the contrary in Section 2.15(e), with respect to non-U.S. withholding taxes, the Administrative Agent, the relevant Lender(s) (at the written request of the relevant Loan Party) and the relevant Loan Party shall, co-operate in completing any procedural formalities necessary (including delivering any documentation prescribed by the applicable Requirement of Law and making any necessary reasonable approaches to the relevant Taxing Authorities) for the relevant Loan Party to obtain authorization to make a payment to which the Administrative Agent or such Lender(s) is entitled without a deduction or withholding for, or on account of, Taxes; provided, however, that none of the Administrative Agent or any Lender shall be required to provide any documentation that it is not legally entitled to provide, or take any action that, in the Administrative Agent's or the relevant Lender's reasonable judgment, would subject the Administrative Agent or such Lender to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect.

(h) Tax Returns. If, as a result of executing a Loan Document, entering into the transactions contemplated thereby or with respect thereto, receiving a payment or enforcing its rights thereunder, any Agent or any Lender is required to file a Tax Return in a jurisdiction in which it would not otherwise be required file, the Loan Parties shall promptly provide such assistance as the relevant Agent or Lender shall reasonably request with respect to the completion and filing of such Tax Return. For clarification, any expenses incurred in connection with such filing shall be subject to Section 11.03.

SECTION 2.16 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may at any time or from time to time designate, by written notice to the Administrative Agent, one or more lending offices (which, for this purpose, may include Affiliates of the respective Lender) for the various Loans made by such Lender; provided that to the extent such designation shall result, as of the time of such designation, in increased costs under Section 2.12 or Section 2.15 in excess of those which would be charged in the absence of the designation of a different lending office (including a different Affiliate of the respective Lender), then the Borrowers shall not be obligated to pay

such excess increased costs (although the Borrowers, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay the costs which would apply in the absence of such designation and any subsequent increased costs of the type described above resulting from changes after the date of the respective designation). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder). The proviso to the first sentence of this Section 2.16(a) shall not apply to changes in a lending office pursuant to Section 2.16(b) if such change was made upon the written request of the Administrative Borrower.

(b) Mitigation Obligations. If any Lender requests compensation under Section 2.12, or requires any Loan Party to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or Section 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Loan Party hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Lender to Administrative Borrower shall be conclusive absent manifest error.

(c) Replacement of Lenders. If any Lender requests compensation under Section 2.12, or if any Borrower is required to pay any additional amount to any Lender or any Taxing Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, or if Administrative Borrower exercises its replacement rights under Section 11.02(d), then Borrowers may, at their sole expense and effort, upon notice by Administrative Borrower to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) Borrowers or the assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 11.04(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.13), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Requirements of Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrowers to require such assignment and delegation cease to apply.

SECTION 2.17 [INTENTIONALLY OMITTED].

SECTION 2.18 [INTENTIONALLY OMITTED].

SECTION 2.19 Interest Act (Canada); Criminal Rate of Interest; Nominal Rate of Interest.

(a) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, solely to the extent that a court of competent jurisdiction finally determines that the calculation or determination of interest or any fee payable by the any Canadian Loan Party in respect of the Obligations pursuant to this Agreement and the other Loan Documents shall be governed by the laws of any province of Canada or the federal laws of Canada, in no event shall the aggregate interest (as defined in Section 347 of the Criminal Code, R.S.C. 1985, c. C-46, as the same shall be amended, replaced or re-enacted from time to time, "**Section 347**") payable by the Canadian Loan Parties to the Agents or any Lender under this Agreement or any other Loan Document exceed the effective annual rate of interest on the Credit advances (as defined in Section 347) under this Agreement or such other Loan Document lawfully permitted under Section 347 and, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of Interest (as defined in Section 347) is determined to be contrary to the provisions of Section 347, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Agents, the Lenders and the Canadian Loan Parties and the amount of such payment or collection shall be refunded by the relevant Agents and Lenders to the applicable Canadian Loan Parties. For the purposes of this Agreement and each other Loan Document to which the Canadian Loan Parties are a party, the effective annual rate of interest payable by the Canadian Loan Parties shall be determined in accordance with generally accepted actuarial practices and principles over the term of the loans on the basis of annual compounding for the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the for the account of the Canadian Loan Parties will be conclusive for the purpose of such determination in the absence of evidence to the contrary.

(b) For the purposes of the Interest Act (Canada) and with respect to Canadian Loan Parties only:

(i) whenever any interest or fee payable by the Canadian Loan Parties is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by

the actual number of days in the calendar year in which such rate is to be ascertained and (z) divided by 360 or 365, as the case may be; and

(ii) all calculations of interest payable by the Canadian Loan Parties under this Agreement or any other Loan Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

The parties hereto acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

SECTION 2.20 [INTENTIONALLY OMITTED].

SECTION 2.21 [INTENTIONALLY OMITTED].

SECTION 2.22 [INTENTIONALLY OMITTED].

SECTION 2.23 Incremental Term Loan Commitments.

(a) Borrowers Request. The Borrowers may by written notice to the Administrative Agent elect to request the establishment of one or more new U.S. Term Loan Commitments and/or Canadian Term Loan Commitments (each, an "**Incremental Term Loan Commitment**") (x) in an aggregate principal amount (for all Incremental Term Loan Commitments pursuant to this Section) not in excess of $400 million and (y) in an aggregate principal amount of not less than $25 million individually. Each such notice shall specify (i) the allocation of such Incremental Term Loan Commitments between the U.S. Term Loan Commitments and the Canadian Term Loan Commitments, (ii) the date on which the Borrowers propose that such Incremental Term Loan Commitments shall be effective (each, an "**Increase Effective Date**"), which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent and (iii) the identity of each Eligible Assignee to whom Borrowers propose any portion of such Incremental Term Loan Commitments be allocated and the amounts and Class of such allocations; provided that any existing Lender approached to provide all or a portion of any Incremental Term Loan Commitments may elect or decline, in its sole discretion, to provide such Incremental Term Loan Commitments.

(b) Conditions. Such Incremental Term Loan Commitments shall become effective, as of such Increase Effective Date; provided that:

(i) each of the conditions set forth in Section 4.02 shall be satisfied;

(ii) no Default shall have occurred and be continuing or would result from the borrowings to be made on the Increase Effective Date;

(iii) after giving pro forma effect to the borrowings to be made on the Increase Effective Date and to any change in Consolidated EBITDA and any increase in Indebtedness resulting from the consummation of any Permitted Acquisition or other Investment concurrently

with such borrowings, the Senior Secured Leverage Ratio at such date shall be not greater than 3.0 to 1.0; and

(iv) the Borrowers shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction.

(c) Terms of Incremental Term Loans and Commitments. The terms and provisions of Loans made pursuant to the new Commitments shall be as follows:

(i) terms and provisions of Loans made pursuant to Incremental Term Loan Commitments ("**Incremental Term Loans**") shall be, except as otherwise set forth herein or in the Increase Joinder, identical to the existing Term Loans of the same Class;

(ii) the Weighted Average Life to Maturity of all Incremental Term Loans shall be no shorter than the Weighted Average Life to Maturity of the existing Term Loans of the same Class;

(iii) the maturity date of Incremental Term Loans (the "**Incremental Term Loan Maturity Date**") shall not be earlier than the Final Maturity Date and, in the case of any Incremental Loans that are Canadian Term Loans, the maturity date of such Incremental Term Loans shall not be earlier than the 525 Catch-Up Date with respect to such Loans; and

(iv) the Applicable Margins for the Incremental Term Loans shall be determined by Borrower and the applicable new Lenders; provided, however, that the Net Yield for the Incremental Term Loans shall not be greater than the highest Net Yield (excluding interest payable at the Default Rate) that may, under any circumstances, be payable with respect to the Term Loans advanced on the Closing Date plus 50 basis points (and the Applicable Margins applicable to the Term Loans advanced on the Closing Date shall be increased to the extent necessary to achieve the foregoing; and provided that to the extent the Net Yield applicable to the Term Loans advanced on the Closing Date are so increased, the Net Yield on the Term Loans advanced after the Closing Date but prior to the relevant Increase Effective Date shall be increased (by increasing the per annum rate of interest applicable to such Term Loans) such that the difference between the Net Yield applicable to the Term Loans advanced on the Closing Date and such Term Loans remains constant (or, if such Net Yield of both such series of Term Loans was equal, such Net Yield remains equal)). "**Net Yield**", for purposes of any Term Loans, shall mean the sum of (1) the per annum rate of interest applicable to such Term Loans (determined at the relevant Increase Effective Date) plus (2) any original issue discount offered to Lenders making such Term Loans amortized equally over the period from the date such Term Loans were made to the applicable maturity date of such Term Loans; provided that such original issue discount shall not be amortized over a period of greater than three years. All determinations by the Administrative Agent as to Net Yield or other matters contemplated by this Section 2.23 shall be conclusive absent manifest error.

The Incremental Term Loan Commitments shall be effected by a joinder agreement (the "**Increase Joinder**") executed by the Loan Parties, the Administrative Agent and each Lender making such Incremental Term Loan Commitment, in form and substance satisfactory to each of

them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.23. In addition, unless otherwise specifically provided herein, all references in Loan Documents to Term Loans shall be deemed, unless the context otherwise requires, to include references to Term Loans made pursuant to Incremental Term Loan Commitments made pursuant to this Agreement, and all references in Loan Documents to Commitments of a Class shall be deemed, unless the context otherwise requires, to include references to new Commitments of such Class made pursuant to this Agreement (for the avoidance of doubt, it being expressly understood and agreed that, *inter alia*, the provisions of Section 2.09(b) and Section 2.10(h)(vi)(B) shall apply to any Incremental Term Loans that are Canadian Term Loans).

(d) Making of New Term Loans. On any Increase Effective Date on which Incremental Term Loan Commitments are effective, subject to the satisfaction of the foregoing terms and conditions, each Lender of such Incremental Term Loan Commitments shall make a Term Loan to Borrower in an amount equal to its new Commitment.

(e) Equal and Ratable Benefit. The Loans and Commitments established pursuant to this paragraph shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Lien and security interests granted by the Security Documents continue to be perfected under the UCC, the PPSA or otherwise after giving effect to the establishment of any such Incremental Term Loan Commitments or any such new Term Loans.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent, and each of the Lenders (with references to the Companies being references thereto after giving effect to the Transactions unless otherwise expressly stated) that:

SECTION 3.01 Organization; Powers. Each Company (a) is duly organized or incorporated (as applicable) and validly existing under the laws of the jurisdiction of its organization or incorporation (as applicable), (b) has all requisite organizational or constitutional power and authority to carry on its business as now conducted and to own and lease its property and (c) is qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) to do business in every jurisdiction where such qualification is required, except in such jurisdictions where the failure to so qualify or be in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02 Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's organizational or constitutional powers and

have been duly authorized by all necessary organizational or constitutional action on the part of such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect Liens created by the Loan Documents (as reflected in the applicable Perfection Certificate) and (iii) consents, approvals, registrations, filings, permits or actions the failure to obtain or perform which could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of any Company, (c) will not violate any Requirement of Law, (d) will not violate or result in a default or require any consent or approval under any indenture, agreement or other instrument binding upon any Company or its property, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect, and (e) will not result in the creation or imposition of any Lien on any property of any Company, except Liens created by the Loan Documents and Permitted Liens. The execution, delivery and performance of the Loan Documents will not violate, or result in a default under, or require any consent or approval under, the Senior Notes, the Senior Note Documents, or the Revolving Credit Loan Documents.

SECTION 3.04 Financial Statements; Projections.

(a) Historical Financial Statements. Administrative Borrower has heretofore delivered to the Lenders the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Canadian Borrower (i) as of and for the fiscal years ended 2005 and 2006, audited by and accompanied by the unqualified opinion of PricewaterhouseCoopers, independent public accountants, and (ii) as of and for the three-month period ended March 30, 2007, and for the comparable period of the preceding fiscal year, in each case, certified by the chief financial officer of Canadian Borrower. Such financial statements and all financial statements delivered pursuant to Section 5.01(a), Section 5.01(b) and Section 5.01(c) have been prepared in accordance with GAAP and present fairly in all material respects the financial condition and results of operations and cash flows of Canadian Borrower as of the dates and for the periods to which they relate.

(b) No Liabilities. Except as set forth in the most recent financial statements referred to in Section 3.04(a), as of the Closing Date there are no liabilities of any Company of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, which could reasonably be expected to result in a Material Adverse Effect, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than liabilities under the Loan Documents, the Revolving Credit Loan Documents and the Senior Notes. Since December 31, 2006, there has been no event, change, circumstance or

occurrence that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Effect.

(c) Pro Forma Financial Statements. Borrowers have heretofore delivered to the Lenders in the Confidential Information Memorandum, Canadian Borrower's unaudited *pro forma* consolidated capitalization table as of March 31, 2007, after giving effect to the Transactions as if they had occurred on such date. Such capitalization table has been prepared in good faith by the Loan Parties, based on the assumptions stated therein (which assumptions are believed by the Loan Parties on the date hereof to be reasonable), are based on the best information available to the Loan Parties as of the date of delivery thereof, accurately reflect all adjustments required to be made to give effect to the Transactions and present fairly in all material respects the *pro forma* capitalization of Holdings as of such date assuming the Transactions had occurred at such date, except as required to adjust for the final allocation as between the Term Loans and the Revolving Credit Loans.

(d) Forecasts. The forecasts of financial performance of Canadian Borrower and its subsidiaries furnished to the Lenders have been prepared in good faith by the Loan Parties and based on assumptions believed by the Loan Parties to reasonable.

SECTION 3.05 Properties.

(a) Generally. Each Company has good title to, valid leasehold interests in, or license of, all its property material to its business, free and clear of all Liens except for Permitted Liens. The property of the Companies, taken as a whole, (i) is in good operating order, condition and repair in all material respects (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Companies as presently conducted.

(b) Real Property. Schedules 8(a) and 8(b) to the Perfection Certificate dated the Closing Date contain a true and complete list of each interest in Real Property (i) owned by any Loan Party as of the date hereof having fair market value of $1 million or more and describes the type of interest therein held by such Loan Party and whether such owned Real Property is leased to a third party and (ii) leased, subleased or otherwise occupied or utilized by any Loan Party, as lessee, sublessee, franchisee or licensee, as of the date hereof having annual rental payments of $1 million or more and describes the type of interest therein held by such Loan Party.

(c) No Casualty Event. No Company has as of the date hereof received any notice of, nor has any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any material portion of its property. No Mortgage encumbers improved Real Property located in the United States that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act has been obtained in accordance with Section 5.04.

(d) Collateral. Each Company owns or has rights to use all of the Collateral used in, necessary for or material to each Company's business as currently conducted, except where the failure to have such ownership or rights of use could not reasonably be expected to have a

Material Adverse Effect. The use by each Company of such Collateral does not infringe on the rights of any person other than such infringement which could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any Collateral does or may violate the rights of any third party that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Intellectual Property.

(a) Ownership/No Claims. Each Loan Party owns, or is licensed to use, all patents, software, trademarks, mask works, inventions, designs, trade names, service marks, copyrights, technology, trade secrets, proprietary information and data, domain names, know-how, processes and other comparable intangible rights necessary for the conduct of its business as currently conducted ("**Intellectual Property**"), except for those the failure to own or license which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. As of the date hereof, no material claim has been asserted and is pending by any person, challenging or questioning the use by any Loan Party of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does any Loan Party know of any valid basis for any such claim. The use of any Intellectual Property by each Loan Party, and the conduct of such Loan Party's business as currently conducted, does not infringe or otherwise violate the rights of any person in respect of Intellectual Property, except for such claims and infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Registrations. Except pursuant to non-exclusive licenses and other non-exclusive user agreements entered into by each Loan Party in the ordinary course of business, on and as of the date hereof (i) each Loan Party owns and possesses the right to use, and has not authorized or enabled any other person to use, any Intellectual Property listed on any schedule to the relevant Perfection Certificate, or any other Intellectual Property that is material to its business, and (ii) all registrations listed in Schedule 12(a) or 12(b) to the Perfection Certificate are valid and in full force and effect, in each case where the failure to do so or the absence thereof could reasonably be expected to have a Material Adverse Effect.

(c) No Violations or Proceedings. To each Loan Party's knowledge, on and as of the date hereof, (i) there is no material infringement or other violation by others of any right of such Loan Party with respect to any Intellectual Property listed on any schedule to the relevant Perfection Certificate, or any other Intellectual Property that is material to its business, except as may be set forth on Schedule 3.06(c), and (ii) no claims are pending or threatened to such effect except as set forth on Schedule 3.06(c).

SECTION 3.07 Equity Interests and Subsidiaries.

(a) Equity Interests. Schedules 1(a) and 10 to the Perfection Certificate dated the Closing Date set forth a list of (i) all the Subsidiaries of Holdings and their jurisdictions of organization as of the Closing Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Closing Date and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the

Closing Date. As of the Closing Date, all Equity Interests of each Company held by Holdings or a Subsidiary thereof are duly and validly issued and are fully paid and non-assessable, and, other than the Equity Interests of Holdings, are owned by Holdings, directly or indirectly through Wholly Owned Subsidiaries except as indicated on Schedules 1(a) and 10 to the Perfection Certificate. All Equity Interests of Canadian Borrower are owned directly by Holdings. As of the Closing Date, each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the Security Documents, free of any and all Liens, rights or claims of other persons, except Permitted Liens, and as of the Closing Date there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) No Consent of Third Parties Required. Except as have previously been obtained, no consent of any person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or First Priority status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured Parties under the Security Documents or the exercise by the Collateral Agent of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect thereof.

(c) Organizational Chart. An accurate organizational chart, showing the ownership structure of Holdings, Borrowers and each Subsidiary on the Closing Date is set forth on Schedule 10 to the Perfection Certificate dated the Closing Date.

SECTION 3.08 Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Company, threatened against or affecting any Company or any business, property or rights of any Company (i) that involve any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. No Company or any of its property is in violation of, nor will the continued operation of its property as currently conducted violate, any Requirements of Law (including any zoning or building ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Company's Real Property or is in default with respect to any Requirement of Law, where such violation or default, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09 Agreements. No Company is a party to any agreement or instrument or subject to any corporate or other constitutional restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. No Company is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its property is or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect. There is no existing default under any Organizational Document of any Company or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder that in each case could reasonably be expected to

have an adverse effect on the Agents or the Lenders or their respective rights and benefits hereunder.

SECTION 3.10 **Federal Reserve Regulations**. No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock. No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, U or X. The pledge of the Securities Collateral pursuant to the Security Documents does not violate such regulations.

SECTION 3.11 **Investment Company Act**. No Company is an "investment company" or a company "controlled" by an "investment company," as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.12 **Use of Proceeds**. Borrowers will use the proceeds of (a) the Loans on the Closing Date for the Refinancing and for payment of fees, premiums and expenses in connection with the Transactions and (b) any Incremental Term Loans after the Closing Date for general corporate purposes (including to effect Permitted Acquisitions); provided that in no event shall any proceeds of any Loans (including any Incremental Term Loans) be remitted, directly or indirectly, to any Swiss tax resident Company or Swiss tax resident permanent establishment, where this remittance could be viewed as a use of such proceeds in Switzerland (whether through an intercompany loan or advance by any other Company or otherwise) as per the practice of the Swiss Federal Tax Administration, unless the Swiss Federal Tax Administration confirms in a written advance tax ruling (based on a fair description of the fact pattern in the tax ruling request made by a Loan Party) that such use of proceeds in Switzerland does not lead to Swiss Withholding Tax becoming due on or in respect any Loans (including any Incremental Term Loans) or parts thereof.

SECTION 3.13 **Taxes**. Each Company has (a) timely filed or caused to be timely filed all material Tax Returns required to have been filed by it and (b) duly and timely paid, collected or remitted or caused to be duly and timely paid, collected or remitted all material Taxes due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in accordance with GAAP or other applicable accounting rules and (ii) which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Company has made adequate provision in accordance with GAAP or other applicable accounting rules for all material Taxes not yet due and payable. Each Company is unaware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. No Company has ever been a party to any understanding or arrangement constituting a "tax shelter" within the meaning of Section 6111(c), Section 6111(d) or Section 6662(d)(2)(C)(iii) of the Code, or has ever "participated" in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4, except as could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 3.14 **No Material Misstatements**. The written information (including the Confidential Information Memorandum), reports, financial statements, certificates, exhibits or schedules furnished by or on behalf of any Company to any Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, taken as a whole, did not and does not contain any material misstatement of fact and, taken as a whole, did not and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made, not materially misleading in their presentation of Holdings and its Subsidiaries taken as a whole as of the date such information is dated or certified; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, each Loan Party represents only that it was prepared in good faith and based on assumptions believed by the applicable Loan Parties to be reasonable.

SECTION 3.15 **Labor Matters**. As of the Closing Date, there are no strikes, lockouts or labor slowdowns against any Company pending or, to the knowledge of any Company, threatened. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable federal, state, provincial, local or foreign law dealing with such matters in any manner which could reasonably be expected to result in a Material Adverse Effect. All payments due from any Company, or for which any claim may be made against any Company, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Company except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The consummation of the Hindalco Acquisition did not and will not, and consummation of the Transactions will not, give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Company is bound, except as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.16 **Solvency**. At the time of and immediately after the consummation of the Transactions to occur on the Closing Date, and at the time of and immediately following the making of the initial Credit Extension under any Incremental Term Loan Commitments and after giving effect to the application of the proceeds of each Loan and the operation of the Contribution, Intercompany, Contracting and Offset Agreement, (a) the fair value of the assets of each Loan Party (individually and on a consolidated basis with its Subsidiaries) will exceed its debts and liabilities, subordinated, contingent, prospective or otherwise; (b) the present fair saleable value of the property of each Loan Party (individually and on a consolidated basis with its Subsidiaries) will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent, prospective or otherwise, as such debts and other liabilities become absolute and matured; (c) each Loan Party (individually and on a consolidated basis with its Subsidiaries) will be able to pay its debts and liabilities, subordinated, contingent, prospective or otherwise, as such debts and liabilities become absolute and matured; (d) each Loan Party (individually and on a consolidated basis with its Subsidiaries) will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date; and (e) each Loan Party is not “insolvent” as such term is defined under any bankruptcy, insolvency or similar laws of any jurisdiction in which any Loan Party is organized or incorporated (as applicable), or otherwise unable to pay its debts as they fall due.

SECTION 3.17 Employee Benefit Plans. Each Company and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect or the imposition of a Lien on any of the property of any Company. The present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the property of all such underfunded Plans in an amount which could reasonably be expected to have a Material Adverse Effect. Using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, the aggregate liabilities of each Company or its ERISA Affiliates to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, could not reasonably be expected to result in a Material Adverse Effect.

To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable Governmental Authority and Taxing Authority, except for such non-compliance that in the aggregate would not have a Material Adverse Effect. No Company has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan, except to the extent of liabilities which could not reasonably be expected to have a Material Adverse Effect. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan which is funded, determined as of the end of the most recently ended fiscal year of the respective Company on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan, and for each Foreign Plan which is not funded, the obligations of such Foreign Plan are properly accrued in the financial statements of Canadian Borrower and its Subsidiaries, in each case in an amount that could not reasonably be expected to have a Material Adverse Effect.

Except as specified on Schedule 3.17, (i) no Company is or has at any time been an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993), and (ii) no Company is or has at any time been "connected" with or an "associate" of (as those terms are used in Sections 39 and 43 of the Pensions Act 2004) such an employer.

SECTION 3.18 Environmental Matters.

(a) Except as, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(i) The Companies and their businesses, operations and Real Property are in compliance with, and the Companies have no liability under, any applicable Environmental Law;

(ii) The Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of their property, under Environmental Law, all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, under or from any Real Property or facility presently or formerly owned, leased or operated by the Companies or their predecessors in interest that could reasonably be expected to result in liability of the Companies under any applicable Environmental Law;

(iv) There is no Environmental Claim pending or, to the knowledge of the Companies, threatened against the Companies, or relating to the Real Property currently or formerly owned, leased or operated by the Companies or their predecessors in interest or relating to the operations of the Companies, and, to the best knowledge of the Loan Parties after due inquiry, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Claim;

(v) No Lien has been recorded or, to the knowledge of any Company, threatened under any Environmental Law with respect to any Real Property or other assets of the Companies;

(vi) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not require any notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup pursuant to any Governmental Real Property Disclosure Requirements or any other applicable Environmental Law; and

(vii) No person with an indemnity or contribution obligation to the Companies relating to compliance with or liability under Environmental Law is in default with respect to such obligation.

(b) As of the Closing Date:

(i) Except as could not reasonably be expected to have a Material Adverse Effect, no Company is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Company is conducting or financing any Response pursuant to any Environmental Law with respect to any Real Property or any other location; and

(ii) No Real Property or facility owned, operated or leased by the Companies and, to the knowledge of the Companies, no Real Property or facility formerly owned, operated or leased by the Companies or any of their predecessors in interest is (i) listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA or (iii) included on any similar publicly available list maintained by any Governmental Authority including any such list relating to petroleum.

SECTION 3.19 Insurance. Schedule 3.19 sets forth a true and correct description of all insurance policies maintained by each Company as of the Closing Date. All insurance maintained by the Companies and required by Section 5.04 is in full force and effect, and all premiums thereon have been duly paid. As of the Closing Date, no Company has received notice of violation or cancellation thereof, the Mortgaged Property, and the use, occupancy and operation thereof, comply in all material respects with all Insurance Requirements, and there exists no material default under any Insurance Requirement. Each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.20 Security Documents.

(a) U.S. Security Agreement. The U.S. Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date and (ii) upon the taking of possession or control by the Collateral Agent of the Security Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Agreement), the Liens created by the Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral (other than such Security Agreement Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(b) Canadian Security Agreement. Each of the Canadian Security Agreements is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, when PPSA financing statements and other filings in appropriate form are filed in the offices specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by such Canadian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under the PPSA as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(c) U.K. Security Agreement. The U.K. Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registration specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the U.K. Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable

law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(d) Swiss Security Agreement. The Swiss Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the Swiss Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(e) German Security Agreement. The German Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, or in the case of accessory security, in favor of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the German Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(f) Irish Security Agreement. The Irish Security Agreement is effective to create in favor of the Collateral Agent for the benefit of and as trustee for the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by the Irish Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(g) Brazilian Security Agreement. Each Brazilian Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral referred to therein and, upon the registrations, recordings and other actions specified on Schedule 7 to the relevant Perfection Certificate as in effect on the Closing Date, the Liens created by each of the Brazilian Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in the Security Agreement Collateral referred to therein (other than such Security Agreement Collateral in which a security interest cannot be perfected under applicable law as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Liens.

(h) Intellectual Property Filings. When the (i) financing statements and other filings in appropriate form referred to on Schedule 7 to the relevant Perfection Certificate have been made, and (ii) U.S. Security Agreement or a short form thereof is filed in the United States Patent and Trademark Office and the United States Copyright Office, the Liens created by such Security Agreement shall constitute valid, perfected First Priority Liens on, and security interests in, all right, title and interest of the grantors thereunder in Patents and Trademarks (each as defined in such Security Agreement) that are registered or applied for by any Loan Party with the United States Patent and Trademark Office or Copyrights (as defined in such Security Agreement) registered or applied for by any Loan Party with the United States Copyright Office, as the case may be, in each case subject to no Liens other than Permitted Liens.

(i) Mortgages. Each Mortgage (other than a Mortgage granted by a U.K. Guarantor) is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, legal, valid, perfected and enforceable First Priority Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when such Mortgages are filed in the offices specified on Schedule 8(a) to the applicable Perfection Certificates dated the Closing Date (or, in the case of any Mortgage executed and delivered after the date thereof in accordance with the provisions of Sections 5.11 and 5.12, when such Mortgage is filed in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Sections 5.11 and 5.12), the Mortgages shall constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other person, other than Permitted Liens.

The Mortgages granted by each applicable U.K. Guarantor under the relevant U.K. Security Agreement are effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, legal, valid and enforceable Liens on all of each such Loan Party's right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when the Mortgages are filed with the Land Registry, the Mortgages shall constitute fully perfected First Priority Liens on, and security interest in, all right, title and interest of the U.K. Borrower and each applicable U.K. Guarantor in such Mortgaged Property and the proceeds thereof, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Permitted Liens.

(j) Valid Liens. Each Security Document delivered pursuant to Sections 5.11 and 5.12 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Collateral thereunder, and (i) when all appropriate filings, registrations or recordings and other actions set forth in the relevant Perfection Certificate are made in the appropriate offices as may be required under applicable law and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent required by any Security Document), such Security Document will constitute First Priority fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral, in each case subject to no Liens other than the applicable Permitted Liens.

(k) Receivables Purchase Agreement. The Receivables Purchase Agreement is in full force and effect. Each representation and warranty under the Receivables Purchase Agreement of each Loan Party party thereto is true and correct on and as of the date made thereunder. No "Termination Event" (as defined therein) has occurred under the Receivables Purchase Agreement.

SECTION 3.21 **Acquisition Documents; Material Indebtedness Documents; Representations and Warranties in Acquisition Agreement**. Schedule 3.21 lists, as of the Closing Date, (i) the Acquisition Agreement and each material agreement, certificate, instrument, letter or other document delivered pursuant to the Acquisition Agreement or otherwise entered into, executed or delivered by any Loan Party or Acquiror in connection with the Hindalco Acquisition (each, an "**Acquisition Document**"), (ii) each material Senior Note Document, (iii) each material Revolving Credit Loan Document, (iv) each material agreement, certificate, instrument, letter or other document delivered pursuant to the Subordinated Debt Loan, and (v) each material agreement, certificate, instrument, letter or other document evidencing any other Material Indebtedness, and the Lenders have been furnished true and complete copies of each of the foregoing. All representations and warranties of each Company set forth in the Acquisition Agreement were true and correct in all material respects as of the time such representations and warranties were made and no default has occurred under the Acquisition Agreement.

SECTION 3.22 **Anti-Terrorism Law**. No Loan Party and, to the knowledge of the Loan Parties, none of its Affiliates is in violation of any Requirement of Law relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

No Loan Party and to the knowledge of the Loan Parties, no Affiliate or broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Loans is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list.

No Loan Party and, to the knowledge of the Loan Parties, no broker or other agent of any Loan Party acting in any capacity in connection with the Loans (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clauses (i) through (v) above, (y) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (z) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

SECTION 3.23 [INTENTIONALLY OMITTED].

SECTION 3.24 Location of Material Inventory and Equipment. Schedule 3.24 sets forth as of the Closing Date all locations where the aggregate value of Inventory and Equipment (other than mobile Equipment or Inventory in transit) owned by the Loan Parties exceeds $1 million.

SECTION 3.25 [INTENTIONALLY OMITTED].

SECTION 3.26 Senior Notes; Material Indebtedness. The Obligations constitute "Senior Debt" or "Designated Senior Indebtedness" (or any other defined term having a similar purpose) within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with Incremental Term Loans). The Commitments and the Loans and other extensions of credit under the Loan Documents constitute "Credit Facilities" (or any other defined term having a similar purpose) or liabilities payable under the documentation related to "Credit Facilities" (or any other defined term having a similar purpose), in each case, within the meaning of the Senior Note Documents (and any Permitted Refinancings thereof permitted under Section 6.01 other than refinancings with Incremental Term Loans). The consummation of each of (i) the Hindalco Acquisition, (ii) the Transactions, (iii) each incurrence of Indebtedness hereunder and (iv) the granting of the Liens provided for under the Security Documents to secure the Secured Obligations is permitted under, and, in each case, does not require any consent or approval under, the terms of (A) the Senior Note Documents (and any Permitted Refinancings thereof), the Revolving Credit Loan Documents (and any Permitted Revolving Credit Facility Refinancings thereof) or any other Material Indebtedness or (B) any other material agreement or instrument binding upon any Company or any of its property except, in the case of this clause (B), as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.27 Centre of Main Interests and Establishments. For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), (i) the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each U.K. Guarantor is situated in England and Wales, (ii) the centre of main interest of each Irish Guarantor is situated in Ireland, and in each case each has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction and (iii) the centre of main interest of each Swiss Guarantor is situated in Switzerland, and in each case each has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, and (iv) the centre of main interest of German Seller is situated in Germany.

SECTION 3.28 **Holding and Dormant Companies**. Except as may arise under the Loan Documents, the Revolving Credit Loan Documents or (in the case of Novelis Europe Holdings Limited) the Senior Notes, neither Holdings nor Novelis Europe Holdings Limited trades or has any liabilities or commitments (actual or contingent, present or future) other than liabilities attributable or incidental to acting as a holding company of shares in the Equity Interests of its Subsidiaries.

SECTION 3.29 **Hindalco Acquisition**. The Hindalco Acquisition was consummated on the Acquisition Closing Date in all material respects in accordance with the terms and conditions of the Acquisition Agreement, without the waiver or amendment of any such terms or conditions not approved by the Administrative Agent and the Arrangers other than any waiver or amendment thereof that was not materially adverse to the interests of the Lenders.

SECTION 3.30 **Excluded Collateral Subsidiaries**. The Excluded Collateral Subsidiaries as of the Closing Date are listed on Schedule 1.01(c).

SECTION 3.31 **Immaterial Subsidiaries**. The Immaterial Subsidiaries as of the Closing Date are listed on Schedule 1.01(d).

ARTICLE IV.

CONDITIONS TO CREDIT EXTENSIONS

SECTION 4.01 **Conditions to Initial Credit Extension**. The obligation of each Lender to fund the initial Credit Extension requested to be made by it shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.01.

(a) Loan Documents. The Administrative Agent shall have received executed counterparts of each of the following, properly executed by a Responsible Officer of each applicable signing Loan Party, each in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) this Agreement,

(ii) each Foreign Guaranty;

(iii) the Intercreditor Agreement;

(iv) the Contribution, Intercompany, Contracting and Offset Agreement;

(v) the Receivables Purchase Agreement;

(vi) a Note executed by each applicable Borrower in favor of each Lender that has requested a Note prior to the Closing Date;

(vii) the U.S. Security Agreement, each Canadian Security Agreement, each U.K. Security Agreement, each Swiss Security Agreement, each German Security Agreement,

each Irish Security Agreement, each Brazilian Security Agreement and each other Security Document requested by the Administrative Agent prior to the Closing Date; and

(viii) the Perfection Certificates.

(b) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary, assistant secretary or managing director (where applicable) of each Loan Party dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document (or its equivalent including the constitutional documents) of such Loan Party certified (to the extent customary in the applicable state) as of a recent date by the Secretary of State (or equivalent Governmental Authority) of the jurisdiction of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors and/or shareholders, as applicable, of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of Borrowers, the borrowings hereunder, and that such resolutions, or any other document attached thereto, have not been modified, rescinded, amended or superseded and are in full force and effect, (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary, assistant secretary or managing director executing the certificate in this clause (i), and other customary evidence of incumbency) and (D) that the borrowing, guarantee, or granting of Liens with respect to the Loans or any of the other Secured Obligations would not cause any borrowing, guarantee, security or similar limit binding on any Loan Party to be exceeded;

(ii) a certificate as to the good standing (where applicable, or such other customary functionally equivalent certificates or abstracts) of each Loan Party (in so-called "long-form" if available) as of a recent date, from such Secretary of State (or other applicable Governmental Authority);

(iii) evidence that the records of the applicable Loan Parties at the United Kingdom Companies House and each other relevant registrar of companies (or equivalent Governmental Authority) in the respective jurisdictions of organization of the Loan Parties are accurate, complete and up to date and that the latest relevant accounts have been duly filed, where applicable;

(iv) if relevant, evidence that each Irish Guarantor has done all that is necessary to follow the procedures set out in Sub-Sections (2) and (11) of section 60 of the Companies Act 1963 of Ireland in order to enable it to enter into the Loan Documents;

(v) a copy of the constitutional documents of any Person incorporated in Ireland whose shares are subject to security under any Security Document, together with any resolutions of the shareholders of such Person adopting such changes to the constitutional documents of that Person to remove any restriction on any transfer of shares or partnership interests (or equivalent) in such Person pursuant to any enforcement of any such Security Document;

(vi) evidence that each of the Loan Parties are members of the same group of companies consisting of a holding company and its subsidiaries for the purposes of Section 155 of the Companies Act 1963 of Ireland and Section 35 of the Companies Act 1990 of Ireland; and

(vii) such other documents as the Lenders or the Administrative Agent may reasonably request.

(c) Officers' Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of Canadian Borrower, certifying (i) compliance with the conditions precedent set forth in this Section 4.01 and Section 4.02(b) and (c), (ii) as to the absence of any Acquisition Material Adverse Effect from September 30, 2006, through the Acquisition Closing Date, (iii) that the representations and warranties of each Company set forth in the Acquisition Agreement shall have been true and correct (without giving effect to any materiality qualifiers set forth therein) as of the Acquisition Closing Date as if made on and as of such date (except (a) to the extent such representations and warranties speak solely as of an earlier date, in which event such representations and warranties shall be true and correct to such extent as of such earlier date, (b) other than in the case of the representations and warranties specifically referred to in clause (c) below, to the extent that facts or matters as to which such representations and warranties are not so true and correct as of such dates, individually or in the aggregate, have not had and would not have a Acquisition Material Adverse Effect, and (c) in the case of the representations and warranties set forth in Section 3.03 of the Acquisition Agreement such representations and warranties shall have been true and correct in all material respects), (iv) that each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document were true and correct in all material respects on and as of the Closing Date, except to the extent such representations and warranties expressly related to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

(d) Financings and Other Transactions, etc.

(i) (A) The Hindalco Acquisition shall have been consummated in all material respects in accordance with the terms of the Acquisition Agreement, without the waiver or amendment of any such terms not approved by the Administrative Agent and the Arrangers other than any waiver or amendment thereof that is not materially adverse to the interests of the Lenders and (B) the Transactions shall have been consummated or shall be consummated simultaneously on the Closing Date, in each case in all material respects in accordance with the terms hereof and the terms of the Transaction Documents, without the waiver or amendment of any such terms not approved by the Administrative Agent and the Arrangers other than any waiver or amendment thereof that is not materially adverse to the interests of the Lenders..

(ii) The Loan Parties that are borrowers under the Revolving Credit Agreement shall have contemporaneously received an aggregate amount equal to the Dollar Equivalent of approximately $550 million in gross proceeds from borrowings under the Revolving Credit Agreement.

(iii) The Refinancing shall be consummated contemporaneously with the transactions contemplated hereby in full to the satisfaction of the Lenders with all Liens in favor of the existing lenders being unconditionally released; the Administrative Agent shall have received a "pay-off" letter in form and substance reasonably satisfactory to the Administrative Agent with respect to all debt being refinanced in the Refinancing; and the Administrative Agent shall have received from any person holding any Lien securing any such debt, such UCC termination statements, mortgage releases, releases of assignments of leases and rents, releases of security interests in Intellectual Property and other instruments, in each case in proper form for recording, as the Administrative Agent shall have reasonably requested to release and terminate of record the Liens securing such debt.

(e) Financial Statements; Pro Forma Balance Sheet; Projections. The Administrative Agent shall have received the financial statements described in Section 3.04(a) and the *pro forma* capitalization table described in Section 3.04(c), together with forecasts of the financial performance of the Companies.

(f) Indebtedness and Minority Interests. After giving effect to the Transactions and the other transactions contemplated hereby, no Company shall have outstanding any Indebtedness or preferred stock other than (i) the Loans hereunder, (ii) the Revolving Credit Loans and other extensions of credit under the Revolving Credit Agreement, (iii) the Senior Notes, (iv) the Subordinated Debt Loan, (v) the Indebtedness listed on Schedule 6.01(b), (vi) Indebtedness owed to, and preferred stock held by, any Borrower or any Guarantor to the extent permitted hereunder and (vii) other Indebtedness permitted under Section 6.01.

(g) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the other Agents, the Arrangers, the Lenders, (i) a favorable written opinion of Torys LLP, special counsel for the Loan Parties, (ii) a favorable written opinion of each local and foreign counsel of the Loan Parties listed on Schedule 4.01(g), in each case (A) dated the Closing Date, (B) addressed to the Agents and the Lenders and (C) covering the matters set forth in Exhibit N and such other matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request, and (iii) a copy of each legal opinion (if any) delivered in connection with the Hindalco Acquisition.

(h) Solvency Certificate. The Administrative Agent shall have received a solvency certificate in the form of Exhibit O (or in such other form as is satisfactory to the Administrative Agent to reflect applicable legal requirements), dated the Closing Date and signed by a senior Financial Officer of each Loan Party or of Canadian Borrower.

(i) Requirements of Law. The Administrative Agent shall be satisfied that Holdings, its Subsidiaries and the Transactions shall be in full compliance with all material Requirements of Law, including Regulations T, U and X of the Board, and shall have received satisfactory evidence of such compliance reasonably requested by them.

(j) Consents. All approvals of Governmental Authorities and third parties (i) required to be obtained under the Hindalco Acquisition Agreement or (ii) necessary to consummate the Transactions shall been obtained and shall be in full force and effect.

(k) Litigation. There shall be no governmental or judicial action, actual or threatened, that has or would have, singly or in the aggregate, a reasonable likelihood of restraining, preventing or imposing burdensome conditions on the Transactions or the Hindalco Acquisition.

(l) Sources and Uses. The sources and uses of the Loans shall be as set forth in Schedule 4.01(l).

(m) Fees. The Arrangers and Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including the reasonable legal fees and expenses of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Agents, and the reasonable fees and expenses of any local counsel, foreign counsel, appraisers, consultants and other advisors) required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document.

(n) Personal Property Requirements. The Collateral Agent shall have received:

(i) subject to the terms of the Intercreditor Agreement, all certificates, agreements or instruments, if any, representing or evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(ii) subject to the terms of the Intercreditor Agreement, the Intercompany Note executed by and among Canadian Borrower and each of its Subsidiaries, accompanied by instruments of transfer undated and endorsed in blank;

(iii) subject to the terms of the Intercreditor Agreement, all other certificates, agreements (including Control Agreements) or instruments necessary to perfect the Collateral Agent's security interest in all "Chattel Paper", "Instruments", "Deposit Accounts" and "Investment Property" (as each such term is defined in the U.S. Security Agreement) of each Loan Party to the extent required hereby or under the relevant Security Documents;

(iv) UCC financing statements in appropriate form for filing under the UCC, filings with the United States Patent and Trademark Office and United States Copyright Office PPSA filings, and such other documents under applicable Requirements of Law in each jurisdiction as may be necessary or appropriate or, in the opinion of the Collateral Agent, desirable to perfect the Liens created, or purported to be created, by the Security Documents;

(v) certified copies of UCC, United States Patent and Trademark Office and United States Copyright Office, PPSA, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches (in jurisdictions where such searches are available), each of a recent date listing all outstanding financing statements, lien notices or comparable documents that name any Loan Party as debtor and that are filed in those state and county (or other applicable) jurisdictions in which any property of any Loan Party (other than Inventory in transit) is located and the state and county (or other applicable) jurisdictions in which any Loan Party is organized or maintains its principal place of business and such other searches that the Collateral Agent deems necessary or appropriate, none of which are effective to

encumber the Collateral covered or intended to be covered by the Security Documents (other than Permitted Liens);

(vi) evidence acceptable to the Collateral Agent of payment or arrangements for payment by the Loan Parties of all applicable recording taxes, fees, charges, costs and expenses required for the recording of the Security Documents;

(vii) evidence that all Liens (other than Permitted Liens) affecting the assets of the Loan Parties have been or will be discharged on or before the Closing Date (or, in the case of financing statement filings or similar notice of lien filings that do not evidence security interests (other than security interests that are discharged on or before the Closing Date), that arrangements with respect to the release or termination thereof satisfactory to the Administrative Agent have been made);

(viii) copies of all notices required to be sent and other documents required to be executed under the Security Documents;

(ix) all share certificates, duly executed and stamped stock transfer forms and other documents of title required to be provided under the Security Documents; and

(x) evidence that the records of each U.K. Guarantor at the United Kingdom Companies House are accurate, complete and up to date and that the latest relevant accounts have been duly filed.

(o) Real Property Requirements. The Collateral Agent shall have received:

(i) a Mortgage encumbering each Mortgaged Property in favor of the Collateral Agent, for the benefit of the Secured Parties, duly executed and acknowledged by each Loan Party that holds any direct interest in such Mortgaged Property, and otherwise in form for recording in the recording office of each applicable political subdivision where each such Mortgaged Property is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof to create a lien under applicable Requirements of Law, and such financing statements and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, all of which shall be in form and substance reasonably satisfactory to Collateral Agent;

(ii) with respect to each Mortgaged Property, such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as necessary to consummate the Transactions or as shall reasonably be deemed necessary by the Collateral Agent in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Property to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Property;

(iii) with respect to each Mortgage of property located in the United States, Canada or, to the extent reasonably requested by the Collateral Agent, any other jurisdictions, (a) a policy of title insurance (or marked up title insurance commitment having the effect of a policy of title insurance) insuring the Lien of such Mortgage as a valid, perfected mortgage Lien on the Mortgaged Property and fixtures described therein having the priority specified in the

Intercreditor Agreement in the amount equal to not less than 115% of the fair market value of such Mortgaged Property and fixtures, which fair market value is set forth on Schedule 4.01(o)(iii), which policy (or such marked-up commitment) (each, a "**Title Policy**") shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements (with provisions for direct access, if necessary) as shall be reasonably acceptable to the Collateral Agent, (C) contain a "tie-in" or "cluster" endorsement, if available under applicable law (*i.e*., policies which insure against losses regardless of location or allocated value of the insured property up to a stated maximum coverage amount), (D) have been supplemented by such endorsements (or where such endorsements are not available, opinions of special counsel, architects or other professionals reasonably acceptable to the Collateral Agent) as shall be reasonably requested by the Collateral Agent (including endorsements on matters relating to usury, first loss, last dollar, zoning, contiguity, revolving credit, doing business, non-imputation, public road access, survey, variable rate, environmental lien, subdivision, mortgage recording tax, separate tax lot, revolving credit, and so-called comprehensive coverage over covenants and restrictions), and (E) contain no exceptions to title other than exceptions acceptable to the Collateral Agent, it being acknowledged that Permitted Liens of the type described in Section 6.02(a), 6.02(b), 6.02(d), 6.02(f) (clause (x) only), 6.02(g), and 6.02(k) shall be acceptable or (b) in respect of Mortgaged Property situated outside the United States, a title opinion of Canadian Borrower's local counsel in form and substance satisfactory to the Collateral Agent;

(iv) with respect to each applicable Mortgaged Property, such affidavits, certificates, information (including financial data) and instruments of indemnification (including a so-called "gap" indemnification) as shall be required to induce the Title Company to issue the Title Policy/ies and endorsements contemplated above;

(v) evidence reasonably acceptable to the Collateral Agent of payment by the applicable Borrowers of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages and issuance of the Title Policies referred to above;

(vi) with respect to each Real Property or Mortgaged Property, copies of all Leases in which any Loan Party or any Subsidiary holds the lessor's interest or other agreements relating to possessory interests, if any, in each case providing for annual rental payments in excess of $250,000. To the extent any of the foregoing affect any Mortgaged Property, such agreement shall be subordinate to the Lien of the Mortgage to be recorded against such Mortgaged Property, either expressly by its terms or pursuant to a subordination, non-disturbance and attornment agreement, and shall otherwise be acceptable to the Collateral Agent;

(vii) with respect to each Mortgaged Property, each Company shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, all Governmental Real Property Disclosure Requirements applicable to such Mortgaged Property;

(viii) to the extent requested by the Collateral Agent, Surveys with respect to the Mortgaged Properties;

(ix) a completed Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each Mortgaged Property situated in the United States;

(x) (a) title deeds to each real and leasehold property situated in England and Wales secured in favor of the Collateral Agent; or (b) a letter (satisfactory to the Collateral Agent) from solicitors holding those title deeds undertaking to hold them to the order of the Collateral Agent; or (c) if any document is at the Land Registry, a certified copy of that document and a letter from the U.K. Guarantors' solicitors directing the registry to issue the document to the Collateral Agent or its solicitors; and

(xi) in relation to property situated in England and Wales, if applicable, satisfactory priority searches at the Land Registry and Land Charges Searches, giving not less that 25 Business Days' priority notice beyond the date of the debenture and evidence that no Lien is registered against the relevant property (other than Permitted Liens or any Liens that will be released on the date of first drawdown, such searches to be addressed to or capable of being relied upon by the Secured Parties).

(p) Insurance. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the property and liability insurance policies required by Section 5.04 and the applicable provisions of the Security Documents, each of which shall be endorsed or otherwise amended to include a "standard" lender's loss payable or mortgagee endorsement (as applicable) and shall name the Collateral Agent, on behalf of the Secured Parties, as additional insured, in form and substance satisfactory to the Administrative Agent.

(q) USA Patriot Act. The Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information that may be required by the Lenders in order to enable compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the United States PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) including, without limitation, the information described in Section 11.13.

(r) Cash Management. The Collateral Agent and the Administrative Agent shall have reviewed and approved the Companies' cash management system and shall have received executed blocked account agreements (or, with respect to countries other than the United States and Canada, other customary arrangements) from all of the financial institutions where the Loan Parties maintain bank accounts or securities accounts (except as may otherwise be agreed by the Collateral Agent) in form and substance satisfactory to Administrative Agent and Collateral Agent.

(s) Process Agent. The Collateral Agent and the Administrative Agent shall have received evidence of the acceptance by the Process Agent of its appointment as such by the Loan Parties.

(t) Outstanding Indebtedness. The Collateral Agent and the Administrative Agent shall have received evidence that the amount of funded indebtedness and unfunded commitments under that certain Credit Agreement, dated as of January 7, 2005, among Novelis Inc., Novelis Corporation, Novelis Deutschland GmbH, Novelis UK Ltd, Novelis AG, the lenders and issuers party thereto, and Citicorp North America, Inc., as administrative agent and collateral agent (as amended, restated, supplemented or otherwise modified), shall not exceed $1,500 million.

SECTION 4.02 **Conditions to Credit Extensions**. The obligation of each Lender to make the initial Credit Extension and the obligation of any Lenders to make the initial Credit Extension under any Incremental Term Loan Commitments shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below.

(a) Notice. The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03).

(b) No Default. No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom (subject to Section 4.02(c) and Section 4.03 in the case of the initial Credit Extension).

(c) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in ARTICLE III hereof or in any other Loan Document (other than Hedging Agreements) shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date; provided that in the case of the initial Credit Extension hereunder only, the representations contained in Sections 3.04 (Financial Statements; Projections), 3.05 (Properties), 3.06 (Intellectual Property), 3.07 (Equity Interests and Subsidiaries), 3.08 (Litigation; Compliance with Laws) (other than clause (i) thereunder), 3.09 (Agreements), 3.13 (Taxes), 3.14 (No Material Misstatements), 3.15 (Labor Matters), 3.17 (Employee Benefit Plans), 3.18 (Environmental Matters), 3.19 (Insurance), 3.21 (Acquisition Documents; Material Indebtedness Documents; Representations and Warranties in Acquisition Agreement), 3.24 (Location of Material Inventory and Equipment), 3.26 (Senior Notes; Material Indebtedness) (solely with regard to the first sentence thereof), 3.27 (Centre of Main Interests and Establishments) and 3.28 (Holding and Dormant Companies) shall only be conditions to the obligation of each Lender to fund the initial Credit Extension requested to be made by it on the date of the initial Credit Extensions hereunder to the extent that, as a result of the breach of such representation, Acquiror (x) had or would have had the right to terminate its obligations under the Acquisition Agreement on the Acquisition Closing Date (or to not consummate the Hindalco Acquisition on the Acquisition Closing Date) and (y) Acquiror or any of its affiliates, representatives or advisors had, as of the Acquisition Closing Date, knowledge of such right to terminate or right to not consummate the Acquisition.

(d) No Legal Bar. With respect to each Lender, no order, judgment or decree of any Governmental Authority shall purport to restrain such Lender from making any Loans to be made by it. No injunction or other restraining order shall have been issued, shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Loans hereunder.

Each of the delivery of a Borrowing Request and the acceptance by any Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by each Borrower and each other Loan Party that on the date of such Credit Extension (both immediately

before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Section 4.02(b) through (d) have been satisfied (which representation and warranty shall be deemed limited to the knowledge of the Loan Parties in the case of the first sentence of Section 4.02(d)). Borrowers shall provide such information as the Administrative Agent may reasonably request to confirm that the conditions in Section 4.02(b) through (d) have been satisfied.

SECTION 4.03 Certain Collateral Matters. To the extent any Collateral (other than the pledge and perfection of the Lien of the Collateral Agent in the Equity Interests of Subsidiaries held by the Loan Parties (to the extent required hereunder) and other assets pursuant to which a lien may be perfected by the filing of a financing statement under the UCC, the PPSA and other similar filings in other applicable jurisdictions) is not provided on the Closing Date after use by Holdings and its Subsidiaries of commercially reasonable efforts to do so, the delivery of such Collateral shall not constitute a condition precedent to the Closing Date, but shall be required to be delivered after the Closing Date pursuant to arrangements and timing to be mutually agreed by the Borrowers and the Administrative Agent.

ARTICLE V.

AFFIRMATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, unless the Required Lenders shall otherwise consent in writing, each Loan Party will, and will cause each of its Subsidiaries to:

SECTION 5.01 Financial Statements, Reports, etc. Furnish to the Administrative Agent (and the Administrative Agent shall make available to the Lenders, on the Platform or otherwise, in accordance with its customary procedures):

(a) Annual Reports. As soon as available and in any event within the earlier of (i) ninety (90) days and (ii) such shorter period as may be required by the Securities and Exchange Commission, after the end of each fiscal year, beginning with the first fiscal year ending after the Closing Date, (i) the consolidated balance sheet of Canadian Borrower as of the end of such fiscal year and related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto, all prepared in accordance with Regulation S-X and accompanied by an opinion of independent public accountants of recognized national standing reasonably satisfactory to the Administrative Agent (which opinion shall not be qualified as to scope or contain any going concern qualification, paragraph of emphasis or explanatory statement), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Canadian Borrower as of the dates and for the periods specified in accordance with GAAP, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Administrative Agent, of the financial condition and results of operations of Canadian Borrower for such fiscal year, as compared to amounts for the previous fiscal year (it being understood that the

information required by clauses (i) and (ii) of this Section 5.01(a) may be furnished in the form of a Form 10-K (so long as the financial statements, narrative report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of Canadian Borrower and its Subsidiaries separating out the results by region;

(b) Quarterly Reports. As soon as available and in any event within the earlier of (i) forty-five (45) days and (ii) such shorter period as may be required by the Securities and Exchange Commission, after the end of each of the first three fiscal quarters of each fiscal year, beginning with the fiscal quarter ending June 30, 2007, (i) the consolidated balance sheet of Canadian Borrower as of the end of such fiscal quarter and related consolidated statements of income and cash flows for such fiscal quarter and for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, and notes thereto, all prepared in accordance with Regulation S-X under the Securities Act and accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Canadian Borrower as of the date and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a) of this Section, except as otherwise disclosed therein and subject to the absence of footnote disclosures and to normal year-end audit adjustments, (ii) a narrative report and management's discussion and analysis, in a form reasonably satisfactory to the Administrative Agent, of the financial condition and results of operations for such fiscal quarter and the then elapsed portion of the fiscal year, as compared to the comparable periods in the previous fiscal year (it being understood that the information required by clauses (i) and (ii) of this Section 5.01(b) may be furnished in the form of a Form 10-Q (so long as the financial statements, management report and management's discussion therein comply with the requirements set forth above)) and (iii) consolidating balance sheets, statements of income and cash flows of Canadian Borrower and its Subsidiaries separating out the results by region;

(c) [INTENTIONALLY OMITTED];

(d) Financial Officer's Certificate. (i) Concurrently with any delivery of financial statements under Section 5.01(a) or (b), beginning with the fiscal quarter ending June 30, 2007, a Compliance Certificate (A) certifying that no Default has occurred or, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (B) concurrently with any delivery of financial statements under Section 5.01(a) above (commencing with the financial statements for the first complete fiscal year of Canadian Borrower beginning after the Closing Date), setting forth Canadian Borrower's calculation of Excess Cash Flow and (C) showing a reconciliation of Consolidated EBITDA to the net income set forth on the statement of income, such reconciliation to be on a quarterly basis; and (ii) concurrently with any delivery of financial statements under Section 5.01(a) above, to the extent permitted under applicable accounting guidelines, a report of the accounting firm opining on or certifying such financial statements stating that in the course of its regular audit of the financial statements of Canadian Borrower and its Subsidiaries, such accounting firm obtained no knowledge that any Default has occurred, or if any Default has occurred, specifying the nature and extent thereof;

(e) Officer's Certificate Regarding Organizational Chart and Perfection of Collateral. Concurrently with any delivery of financial statements under Section 5.01(a), a certificate of a Responsible Officer of Canadian Borrower attaching an accurate organizational chart (or confirming that there has been no change in organizational structure) and otherwise setting forth the information required pursuant to the Perfection Certificate Supplement or confirming that there has been no change in such information since the date of the Perfection Certificate or latest Perfection Certificate Supplement;

(f) Public Reports. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, with any national U.S. or non-U.S. securities regulatory authority or securities exchange or with the National Association of Securities Dealers, Inc., or distributed to holders of its publicly held Indebtedness or securities pursuant to the terms of the documentation governing such Indebtedness or securities (or any trustee, agent or other representative therefor), as the case may be; provided that documents required to be delivered pursuant to this clause (f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Canadian Borrower posts such documents, or provides a link thereto on Canadian Borrower's website (or other location specified by Canadian Borrower) on the Internet; or (ii) on which such documents are posted on Canadian Borrower's behalf on the Platform; provided that: (i) upon written request by the Administrative Agent, Canadian Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) Canadian Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (*i.e.*, soft copies) of such documents; provided, further, that notwithstanding anything contained herein, in every instance Canadian Borrower shall be required to provide paper copies of the certificates required by clauses (d) and (e) of this Section 5.01 to the Administrative Agent;

(g) Management Letters. Promptly after the receipt thereof by any Company, a copy of any "management letter", exception report or other similar letter or report received by any such person from its certified public accountants and the management's responses thereto;

(h) Projections. Within sixty (60) days of the end of each fiscal year, a copy of the annual projections for Canadian Borrower (including balance sheets, statements of income and sources and uses of cash, for (i) each quarter of such fiscal year prepared in detail and (ii) each fiscal year thereafter, through and including the fiscal year in which the Final Maturity Date occurs, prepared in summary form, in each case, of Canadian Borrower on a consolidated basis, with appropriate presentation and discussion of the principal assumptions upon which such forecasts are based, accompanied by the statement of a Financial Officer of Canadian Borrower to the effect that such assumptions are believed to be reasonable;

(i) Labor Relations. Promptly after becoming aware of the same, written notice of (a) any labor dispute to which any Loan Party or any of its Subsidiaries is or is expected to become a party, including any strikes, lockouts or other labor disputes relating to any of such person's plants and other facilities, which could reasonably be expected to result in a Material

Adverse Effect, (b) any Worker Adjustment and Retraining Notification Act or related liability incurred with respect to the closing of any plant or other facility of any such person and (c) any material liability under Requirements of Law similar to the Worker Adjustment and Retraining Notification Act or otherwise arising out of plant closings;

(j) Asset Sales. At least ten (10) days prior to an Asset Sale, the Net Cash Proceeds of which (or the Dollar Equivalent thereof) are anticipated to exceed $20 million written notice (a) describing such Asset Sale or the nature and material terms and conditions of such transaction and (b) stating the estimated Net Cash Proceeds anticipated to be received by any Loan Party or any of its Subsidiaries; and

(l) Other Information. Promptly, from time to time, such other information regarding the operations, properties, business affairs and condition (financial or otherwise) of any Company, or compliance with the terms of any Loan Document, or matters regarding the Collateral (beyond the requirements contained in Section 9.03) as the Administrative Agent or any Lender may reasonably request.

SECTION 5.02 Litigation and Other Notices. Furnish to the Administrative Agent written notice of the following promptly (and, in any event, within three (3) Business Days after acquiring knowledge thereof):

(a) any Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority, (i) against any Borrower or other Company that in the reasonable judgment of the Borrowers could reasonably be expected to result in a Material Adverse Effect if adversely determined or (ii) with respect to any Loan Document;

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(d) the occurrence of a Casualty Event involving a Dollar Equivalent amount in excess of $20 million; and

(e) (i) the incurrence of any Lien (other than Permitted Liens) on the Collateral, or claim asserted against any of the Collateral or (ii) the occurrence of any other event which could reasonably be expected to affect the value of the Collateral, in each case which could reasonably be expected to be material with regard to (x) the Revolving Credit Priority Collateral, taken as a whole, or (y) the Term Loan Priority Collateral, taken as a whole.

SECTION 5.03 Existence; Businesses and Properties.

(a) Do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence, rights and franchises necessary or desirable in the normal conduct of its business, except (i) other than with respect to a Borrower’s existence, to

the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect or (ii) pursuant to a transaction permitted by Section 6.05 or Section 6.06.

(b) Do or cause to be done all things necessary to obtain, maintain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, privileges, franchises, approvals, authorizations, patents, copyrights, trademarks, service marks and trade names used, useful, or necessary to the conduct of its business, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; do or cause to be done all things necessary to preserve its business and the goodwill and business of the customers, advertisers, suppliers and others having business relations with each Loan Party or any of its Subsidiaries, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable Requirements of Law (including any and all zoning, building, Environmental Law, ordinance, code or approval or any building permits or any restrictions of record or agreements affecting the Real Property), contractual obligations, and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain, preserve and protect all of its property and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business) and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except in each case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.04 Insurance.

(a) Generally. Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Mortgaged Properties and other properties material to the business of the Companies against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including (i) physical hazard insurance on an “all risk” basis (subject to usual and customary exclusions), (ii) commercial general liability against claims for bodily injury, death or property damage covering any and all insurable claims, (iii) explosion insurance in respect of any boilers, machinery or similar apparatus constituting Collateral, (iv) business interruption insurance and flood insurance, and (v) worker’s compensation insurance and such other insurance as may be required by any Requirement of Law; provided that with respect to physical hazard insurance, neither the Collateral Agent nor the applicable Company shall agree to the adjustment of any claim thereunder with respect to Term Loan Priority Collateral involving an amount in excess of $30 million thereunder without the consent of the other (such consent not to be unreasonably withheld or delayed); provided, further, that no consent of any Company shall be required during an Event of Default.

(b) Requirements of Insurance. All such property and liability insurance maintained by the Loan Parties shall (i) provide that no cancellation, material reduction in amount or

material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Collateral Agent of written notice thereof, (ii) name the Collateral Agent as mortgagee or loss payee, as applicable (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance), as applicable, and (iii) if reasonably requested by the Collateral Agent, include a breach of warranty clause.

(c) Flood Insurance. Except to the extent already obtained in accordance with clause (iv) of Section 5.04(a), with respect to each Mortgaged Property, obtain flood insurance in such total amount as the Administrative Agent may from time to time require, if at any time the area in which any improvements located on any Mortgaged Property is designated a “flood hazard area” in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and such insurance is required to be obtained pursuant to the requirements of the National Flood Insurance Act of 1968, as amended from time to time, or the Flood Disaster Protection Act of 1973, as amended from time to time.

(d) Broker’s Report. As soon as practicable and in any event within ninety (90) days after the end of each fiscal year, deliver to the Administrative Agent and the Collateral Agent (i) a report of a reputable insurance broker with respect to the insurance maintained pursuant to clauses (i)-(iv) of Section 5.04(a) in form and substance satisfactory to the Administrative Agent and the Collateral Agent (together with such additional reports as the Administrative Agent or the Collateral Agent may reasonably request), and (ii) such broker’s statement that all premiums then due and payable with respect to the coverage maintained pursuant to clauses (i)-(iv) of Section 5.04(a) have been paid and confirming, with respect to any property, physical hazard or liability insurance maintained by a Loan Party, that the Collateral Agent has been named as loss payee or additional insured, as applicable.

(e) Mortgaged Properties. Each Loan Party shall comply in all material respects with all Insurance Requirements in respect of each Mortgaged Property; provided, however, that each Loan Party may, at its own expense and after written notice to the Administrative Agent, (i) contest the applicability or enforceability of any such Insurance Requirements by appropriate legal proceedings, the prosecution of which does not constitute a basis for cancellation or revocation of any insurance coverage required under this Section 5.04 or (ii) cause the Insurance Policy containing any such Insurance Requirement to be replaced by a new policy complying with the provisions of this Section 5.04.

SECTION 5.05 Payment of Taxes.

(a) Payment of Taxes. Pay and discharge promptly when due all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien other than a Permitted Lien upon such properties or any part thereof; provided that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as (x)(i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP (or other applicable accounting rules), and (ii) such contest

operates to suspend collection of the contested obligation, Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien, and (y) the failure to pay could not reasonably be expected to result in a Material Adverse Effect.

(b) Filing of Returns. Timely file all material Tax Returns required to be filed by it.

SECTION 5.06 Employee Benefits.

(a) Comply with the applicable provisions of ERISA and the Code and any Requirements of Law applicable to any Foreign Plan or Compensation Plan, except where any non-compliance could not reasonably be expected to result in a Material Adverse Effect.

(b) Furnish to the Administrative Agent (x) as soon as possible after, and in any event within five (5) Business Days after any Responsible Officer of any Company or any ERISA Affiliates of any Company knows that, any ERISA Event has occurred, a statement of a Financial Officer of Administrative Borrower setting forth details as to such ERISA Event and the action, if any, that the Companies propose to take with respect thereto, and (y) upon request by the Administrative Agent, copies of such other documents or governmental reports or filings relating to any Plan (or Foreign Plan, or other employee benefit plan sponsored or contributed to by any Company) as the Administrative Agent shall reasonably request.

(c) (i) Ensure that the Novelis U.K. Pension Plan is funded in accordance with the agreed schedule of contributions dated May 16, 2007 and that no action or omission is taken by any Company in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect; (ii) except for any existing defined benefit pension schemes as specified on Schedule 3.17 ensure that no Company is or has been at any time an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or “connected” with or an “associate” of (as those terms are defined in Sections 39 or 43 of the Pensions Act 2004) such an employer; (iii) deliver to the Administrative Agent upon request as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes), actuarial reports in relation to all pension schemes mentioned in clause (i) above; (iv) promptly notify the Administrative Agent of any material change in the agreed rate of contributions to any pension schemes mentioned in clause (i) above; (v) promptly notify the Administrative Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to any member of the Group; and (vi) promptly notify the Administrative Agent if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator.

(d) Ensure that all Foreign Plans (except the Novelis U.K. Pension Plan) and Compensation Plans that are required to be funded are funded and contributed to in accordance with their terms to the extent of all Requirements of Law.

SECTION 5.07 Maintaining Records; Access to Properties and Inspections; Annual Meetings. Keep proper books of record and account in which full, true and correct entries in conformity in all material respects with GAAP (or other applicable accounting

standards) and all Requirements of Law of all financial transactions and the assets and business of each Company and its Subsidiaries are made of all dealings and transactions in relation to its business and activities, including, without limitation, proper records of intercompany transactions) with full, true and correct entries reflecting all payments received and paid (including, without limitation, funds received by or for the account of any Loan Party from deposit accounts of the other Companies). Each Company will permit any representatives designated by the Administrative Agent (who may be accompanied by any Agent or Lender) to visit and inspect the financial records and the property of such Company (at reasonable intervals, during normal business hours and within five Business Days after written notification of the same to Administrative Borrower, except that, during the continuance of an Event of Default, none of such restrictions shall be applicable) and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent (who may be accompanied by any Agent or Lender) to discuss the affairs, finances, accounts and condition of any Company with the officers and employees thereof and advisors therefor (including independent accountants).

SECTION 5.08 Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in Section 3.12.

SECTION 5.09 Compliance with Environmental Laws; Environmental Reports.

(a) Comply, and cause all lessees and other persons occupying Real Property owned, operated or leased by any Company to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and Real Property; obtain and renew all material Environmental Permits applicable to its operations and Real Property; and conduct all Responses required by, and in accordance with, Environmental Laws, in each case, to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect; provided that no Company shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP or other applicable accounting standards.

(b) If a Default caused by reason of a breach of Section 3.18 or Section 5.09(a) shall have occurred and be continuing for more than twenty (20) Business Days without the Companies commencing activities reasonably likely to cure such Default in accordance with Environmental Laws, at the written request of the Administrative Agent or the Required Lenders through the Administrative Agent, provide to the Lenders as soon as practicable after such request, at the expense of Borrowers, an environmental assessment report regarding the matters which are the subject of such Default, including, where appropriate, soil and/or groundwater sampling, prepared by an environmental consulting firm and, in form and substance, reasonably acceptable to the Administrative Agent and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or Response to address them.

SECTION 5.10 Interest Rate Protection. From and after the thirtieth (30th) day after the Closing Date and for a minimum of four years thereafter maintain fixed rate Indebtedness, or Hedging Agreements with terms and conditions acceptable to the Administrative Agent, that

together result in at least 45% of the aggregate principal amount of Holdings's Consolidated Indebtedness being effectively subject to a fixed or maximum interest rate.

SECTION 5.11 Additional Collateral; Additional Guarantors.

(a) Subject to the terms of the Intercreditor Agreement and this Section 5.11, with respect to any property acquired after the Closing Date by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, promptly (and in any event within thirty (30) days after the acquisition thereof) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a First Priority Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative Agent. Borrowers shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents against such after-acquired properties.

(b) With respect to any person that becomes a Subsidiary after the Closing Date (other than an Excluded Collateral Subsidiary), or any Subsidiary that was an Excluded Collateral Subsidiary but, as of the end of the most recently ended fiscal quarter, has ceased to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d), promptly (and in any event within thirty (30) days after such person becomes a Subsidiary or ceases to be an Excluded Collateral Subsidiary or is required to become a Loan Party by operation of the provisions of Section 5.11(d)) (i) pledge and deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of such Subsidiary owned by a Loan Party, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Loan Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party and (ii) cause any such Subsidiary that is a Wholly Owned Subsidiary, in each case to the extent not prohibited by applicable Requirements of Law, (A) to execute a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor and joinder agreements to the applicable Security Documents (in each case, substantially in the form annexed thereto or in such other form as may be reasonably satisfactory to the Administrative Agent) or, in the case of a Foreign Subsidiary, execute such other Security Documents (or joinder agreements) to the extent possible under and compatible with the laws of such Foreign Subsidiary's jurisdiction in form and substance reasonably satisfactory to the Administrative Agent, and (B) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Liens created by the applicable Security Documents to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements (or other applicable filings) in such jurisdictions as may be reasonably requested by the Administrative

Agent or the Collateral Agent. Notwithstanding the foregoing, (1) clause (i) of this paragraph (b) shall not apply to the Equity Interests of (x) any Company listed on Schedule 5.11(b) to the extent any applicable Requirement of Law continues to prohibit the pledging of its Equity Interests to secure the Secured Obligations and (y) any Joint Venture Subsidiary, to the extent the terms of any applicable joint venture, stockholders', partnership, limited liability company or similar agreement prohibits or conditions the pledging of its Equity Interests to secure the Secured Obligations and (2) clause (ii) of this paragraph (b) shall not apply to any Company listed on Schedule 5.11(b) to the extent any applicable Requirement of Law prohibits it from becoming a Loan Party.

(c) Subject to the terms of the Intercreditor Agreement, promptly grant to the Collateral Agent, within sixty (60) days of the acquisition thereof, a security interest in and Mortgage on (i) each Real Property owned in fee by such Loan Party as is acquired by such Loan Party after the Closing Date and that, together with any improvements thereon, individually has a fair market value the Dollar Equivalent of which is at least $5 million, and (ii) unless the Collateral Agent otherwise consents, and subject to obtaining any consent required from the applicable landlord and any applicable mortgagee (each of which the Loan Parties agree to use commercially reasonable efforts to obtain), each leased Real Property of such Loan Party which lease individually has a fair market value the Dollar Equivalent of which is at least $5 million, in each case, as additional security for the Secured Obligations (unless the subject property is already mortgaged to a third party to the extent permitted by Section 6.02). Subject to the terms of the Intercreditor Agreement, such Mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and the Collateral Agent and shall constitute valid, perfected and enforceable First Priority Liens subject only to Permitted Liens. Subject to the terms of the Intercreditor Agreement, the Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the First Priority Liens in favor of the Collateral Agent required to be granted pursuant to the Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full. Such Loan Party shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of any existing Mortgage or new Mortgage against such after-acquired Real Property (including a Title Policy (or title opinion satisfactory to the Collateral Agent), a Survey (if applicable in the respective jurisdiction), and a local counsel opinion (in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent) in respect of such Mortgage). For purposes of this Section 5.11(c) Real Property owned by a Company that becomes a Loan Party following the Closing Date in accordance with the terms of this Agreement shall be deemed to have been acquired on the later of (x) the date of acquisition of such Real Property and (y) the date such Company becomes a Loan Party.

(d) If, at any time and from time to time after the Closing Date, Subsidiaries that are not Loan Parties because they are Excluded Collateral Subsidiaries comprise in the aggregate more than 1% of the consolidated total assets of Canadian Borrower and its Subsidiaries as of the end of the most recently ended fiscal quarter or more than 1% of Consolidated EBITDA of Canadian Borrower and its Subsidiaries as of the end of the most recently ended fiscal quarter, then the Loan Parties shall, not later than 45 days after the date by which financial statements for such fiscal quarter are required to be delivered pursuant to this Agreement, cause one or more of

such Subsidiaries to become Loan Parties (notwithstanding that such Subsidiaries are, individually, Excluded Collateral Subsidiaries) such that the foregoing condition ceases to be true.

SECTION 5.12 **Security Interests; Further Assurances**. Subject to the terms of the Intercreditor Agreement, promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at Borrowers' expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary or desirable for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or use commercially reasonable efforts to obtain any consents or waivers as may be reasonably required in connection therewith. Deliver or cause to be delivered (using commercially reasonable efforts with respect to delivery of items from Persons who are not in the control of any Loan Party) to the Administrative Agent and the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent as the Administrative Agent and the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to any Loan Document that requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may reasonably require in connection therewith. If the Administrative Agent, the Collateral Agent or the Required Lenders determine that they are required by a Requirement of Law to have appraisals prepared in respect of the Real Property of any Loan Party constituting Collateral, Borrowers shall provide to the Administrative Agent appraisals that satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA (or other applicable requirements) and are otherwise in form satisfactory to the Administrative Agent and the Collateral Agent.

SECTION 5.13 **Information Regarding Collateral**. Not effect any change (i) in any Loan Party's legal name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which any material Term Loan Priority Collateral owned by it is located (including the establishment of any such new office or facility) other than changes in location to a property identified on Schedule 3.24, another property location previously identified on a Perfection Certificate Supplement or otherwise by notice to the Collateral Agent, as to which the steps required by clause (B) below have been completed or to a Mortgaged Property or a leased property subject to a Landlord Access Agreement, (iii) in any Loan Party's identity or organizational structure, (iv) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (v) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Collateral Agent and the Administrative Agent not less than ten (10)

Business Days' prior written notice (in the form of an Officers' Certificate), or such lesser notice period agreed to by the Collateral Agent, of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent or the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Loan Party agrees to promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence. For the purposes of the Regulation, (i) no U.K. Guarantor shall change its centre of main interest (as that term is used in Article 3(1) of the Regulation) from England and Wales, (ii) nor shall any Irish Guarantor change its centre of main interest from Ireland, nor shall any Irish Guarantor have an "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction, (iii) nor shall nor shall any Swiss Guarantor change its centre of main interest from Switzerland, nor shall any Swiss Guarantor have an "establishment" in any other jurisdiction, (iv) nor shall German Seller change its centre of main interest from Germany.

SECTION 5.14 Affirmative Covenants with Respect to Leases. With respect to each Lease to which a Loan Party is party as landlord or lessor, the respective Loan Party shall perform all the obligations imposed upon the landlord under such Lease and enforce all of the tenant's obligations thereunder, except where the failure to so perform or enforce could not reasonably be expected to result in a Property Material Adverse Effect.

SECTION 5.15 Secured Obligations. Timely pay and perform all of its Secured Obligations.

SECTION 5.16 Post-Closing Covenants. Execute and deliver the documents and complete the tasks and take the other actions set forth on Schedule 5.16, in each case within the time limits specified on such Schedule.

ARTICLE VI.

NEGATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full, unless the Required Lenders (and such other Lenders whose consent may be required under Section 11.02) shall otherwise consent in writing, no Loan Party will, nor will they cause or permit any Subsidiaries to:

SECTION 6.01 Indebtedness. Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except

(a) Indebtedness incurred under this Agreement and the other Loan Documents;

(b) (i) Indebtedness outstanding on the Closing Date and listed on Schedule 6.01(b), and Permitted Refinancings thereof, (ii) Indebtedness of Loan Parties under the Revolving Credit Loan Documents and Permitted Revolving Credit Facility Refinancings thereof in an

aggregate principal amount at any time outstanding not to exceed the Maximum Revolving Credit Facility Amount, (iii) Indebtedness of Loan Parties and other persons referenced on Schedule 6.01(b) under the Senior Note Documents and Indebtedness under Permitted Refinancings thereof, and (iv) the Subordinated Debt Loan and Permitted Refinancings thereof;

(c) Indebtedness of any Company under Hedging Agreements (including Contingent Obligations with respect thereto); provided that if such Hedging Obligations relate to interest rates, (i) such Hedging Agreements relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Agreements at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Agreements relate;

(d) Indebtedness permitted by Section 6.04(i);

(e) Indebtedness of any Securitization Subsidiary under any Securitization Facility (i) that is without recourse to any Company (other than such Securitization Subsidiary) or any of their respective assets (other than pursuant to representations, warranties, covenants and indemnities customary for such transactions), (ii) the payment of principal and interest in respect of which is not guaranteed by any Company, (iii) in respect of which the governing documentation is in form and substance reasonably satisfactory to the Administrative Agent, and (iv) that is on customary terms and conditions; provided that the aggregate outstanding principal amount of the Indebtedness of all Securitization Subsidiaries under all Securitization Facilities at any time outstanding shall not exceed $300 million less the aggregate amount of Indebtedness then outstanding under Section 6.01(m) less the aggregate book value at the time of determination of the then outstanding Accounts subject to a Permitted Factoring Facility at such time;

(f) Indebtedness in respect of Purchase Money Obligations and Capital Lease Obligations, and Permitted Refinancings thereof (other than refinancings funded with intercompany advances), in an aggregate amount not to exceed $200 million at any time outstanding;

(g) Sale and Leaseback Transactions permitted under Section 6.03;

(h) Indebtedness in respect of bid, performance or surety bonds, workers' compensation claims, self-insurance obligations, financing of insurance premiums, and bankers acceptances issued for the account of any Company, in each case, incurred in the ordinary course of business (including guarantees or obligations of any Company with respect to letters of credit supporting such bid, performance or surety bonds, workers' compensation claims, self-insurance obligations and bankers acceptances) (in each case other than Indebtedness for borrowed money);

(i) Contingent Obligations (i) of any Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Loan Party and relating to Indebtedness of a Loan Party under Section 6.01(f), (g), (h), (j), (l), (n) and (r), (ii) of any Loan Party in respect of Indebtedness of Subsidiaries in an aggregate amount not exceeding $75 million at any one time

outstanding less all amounts paid with regard to Contingent Obligations permitted pursuant to Section 6.04(a), and (iii) of any Company that is not a Loan Party in respect of Indebtedness otherwise permitted to be incurred by such Company under this Section 6.01;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five (5) Business Days of incurrence;

(k) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(l) Unsecured Indebtedness not otherwise permitted under this Section 6.01 in an aggregate principal amount not to exceed $200 million at any time outstanding; provided that not more than an aggregate amount of $100 million of such Indebtedness at any time outstanding shall have a maturity or provide for scheduled amortization of principal prior to the 180th day following the Final Maturity Date;

(m) Indebtedness consisting of working capital facilities, lines of credit or cash management arrangements for Excluded Subsidiaries and Contingent Obligations of Excluded Subsidiaries in respect thereof; provided that (i) the aggregate principal amount of such Indebtedness incurred by NKL after the Closing Date shall not exceed $100 million at any time outstanding and (ii) the aggregate principal amount of such Indebtedness incurred by all other Excluded Subsidiaries after the Closing Date shall not exceed an aggregate of $100 million at any time outstanding;

(n) Indebtedness in respect of indemnification obligations or obligations in respect of purchase price adjustments or similar obligations incurred or assumed by the Loan Parties and their Subsidiaries in connection with an Asset Sale or sale of Equity Interests otherwise permitted under this Agreement;

(o) unsecured guaranties in the ordinary course of business of any person of the obligations of suppliers, customers or licensees;

(p) Indebtedness of NKL arising under letters of credit issued in the ordinary course of business;

(q) (i) Indebtedness of any person existing at the time such person is acquired in connection with a Permitted Acquisition or any other Investment permitted under Section 6.04; provided that such Indebtedness is not incurred in connection with or in contemplation of such Permitted Acquisition or other Investment and is not secured by Accounts or Inventory of any Company organized in a Principal Jurisdiction or the proceeds thereof, and at the time of such Permitted Acquisition or other Investment, no Event of Default shall have occurred and be continuing, and (ii) Permitted Refinancings of such Indebtedness, in an aggregate amount, for all such Indebtedness permitted under this clause (q), not to exceed $50 million at any time outstanding;

(r) Indebtedness in respect of treasury, depositary and cash management services or automated clearinghouse transfer of funds (including the European Cash Pooling Arrangements and other pooled account arrangements and netting arrangements) in the ordinary course of business, in each case, arising under the terms of customary agreements with any bank at which such Subsidiary maintains an overdraft, pooled account or other similar facility or arrangement; and

(s) Permitted Holdings Indebtedness.

SECTION 6.02 Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the "**Permitted Liens**"):

(a) (i) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and (ii) Liens for taxes, assessments or governmental charges or levies, which are due and payable and are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(b) Liens in respect of property of any Company imposed by Requirements of Law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, and (i) which do not in the aggregate materially detract from the value of the property of the Companies, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Companies, taken as a whole, and (ii) which, if they secure obligations that are then due and unpaid for more than 30 days, are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(c) any Lien in existence on the Closing Date and set forth on Schedule 6.02(c) that does not attach to the Accounts and Inventory of any Borrower and any Lien granted as a replacement, renewal or substitute therefor; provided that any such replacement, renewal or substitute Lien (i) does not secure an aggregate amount of Indebtedness, if any, greater than that secured on the Closing Date (including undrawn commitments thereunder in effect on the Closing Date, accrued and unpaid interest thereon and fees and premiums payable in connection with a Permitted Refinancing of the Indebtedness secured by such Lien) and (ii) does not encumber any property other than the property subject thereto on the Closing Date (any such Lien, an "**Existing Lien**");

(d) easements, rights-of-way, restrictions (including zoning restrictions), reservations (including pursuant to any original grant of any Real Property from the applicable Governmental Authority), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies or irregularities on or with respect to any Real Property, in each case whether now or hereafter in existence, not (i) securing Indebtedness for borrowed money or (ii) individually or in the aggregate materially interfering with the ordinary conduct of the business of the Companies at such Real Property;

(e) Liens arising out of judgments, attachments or awards not resulting in an Event of Default that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided on the books of the appropriate Company in accordance with GAAP;

(f) Liens (other than any Lien imposed by ERISA) (x) imposed by Requirements of Law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; provided that (i) with respect to clauses (x), (y) and (z) of this paragraph (f), such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been established on the books of the appropriate Company in accordance with GAAP, and (ii) to the extent such Liens are not imposed by Requirements of Law, such Liens shall in no event encumber any property other than cash and Cash Equivalents and, with respect to clause (y), property relating to the performance of obligations secured by such bonds or instruments;

(g) Leases, subleases or licenses of the properties of any Company granted to other persons which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(h) Liens arising out of conditional sale, hire purchase, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business;

(i) Liens securing Indebtedness incurred pursuant to Section 6.01(f) or Section 6.01(g); provided that any such Liens attach only to the property being financed pursuant to such Indebtedness and any proceeds of such property and do not encumber any other property of any Company;

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to treasury, depositary and cash management services or automated clearinghouse transfer of funds (including pooled account arrangements and netting arrangements); provided that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any other Indebtedness;

(k) Liens granted (i) pursuant to the Loan Documents to secure the Secured Obligations or (ii) pursuant to the Revolving Credit Security Documents to secure the "Secured

Obligations" (as defined in the Revolving Credit Agreement) and any Permitted Revolving Credit Facility Refinancings thereof;

(l) licenses of Intellectual Property granted by any Company in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Companies;

(m) the filing of UCC or PPSA financing statements (or the equivalent in other jurisdictions) solely as a precautionary measure in connection with operating leases or consignment of goods;

(n) Liens on property of Excluded Subsidiaries securing Indebtedness of Excluded Subsidiaries permitted by Section 6.01(m) and (p);

(o) Liens securing the refinancing of any Indebtedness secured by any Lien permitted by clauses (c), (i) or (r) of this Section 6.02 or this clause (o) without any change in the assets subject to such Lien and to the extent such refinanced Indebtedness is permitted by Section 6.01;

(p) to the extent constituting a Lien, the existence of the "equal and ratable" clause in the Senior Note Documents (and any Permitted Refinancings thereof) (but not any security interests granted pursuant thereto);

(q) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(r) Liens on assets acquired in a Permitted Acquisition or on property of a person existing at the time such person is acquired or merged with or into or amalgamated or consolidated with any Company to the extent permitted hereunder or such assets are acquired (and not created in anticipation or contemplation thereof); provided that (i) such Liens do not extend to property not subject to such Liens at the time of acquisition (other than improvements thereon and proceeds thereof) and are no more favorable to the lienholders than such existing Lien and (ii) the aggregate principal amount of Indebtedness secured by such Liens does not exceed $50 million at any time outstanding;

(s) any encumbrance or restriction (including put and call agreements) solely in respect of the Equity Interests of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, contained in such Joint Venture's or Joint Venture Subsidiary's Organizational Documents or the joint venture agreement or stockholders agreement in respect of such Joint Venture or Joint Venture Subsidiary;

(t) Liens granted in connection with Indebtedness permitted under Section 6.01(e) that are limited in each case to the Securitization Assets transferred or assigned pursuant to the related Securitization Facility;

(u) Liens (which, if the same apply to any Collateral, are junior to the Liens on the Collateral securing the Secured Obligations) not otherwise permitted by clauses (a) through (t)

of this Section 6.02 securing liabilities not in excess of $25 million in the aggregate at any time outstanding;

(v) To the extent constituting Liens, rights under purchase and sale agreements with respect to Equity Interests permitted to be sold in Asset Sales permitted under Section 6.06;

(w) Liens securing obligations owing to the Loan Parties so long as such obligations and Liens, where owing by or on assets of Loan Parties, are subordinated to the Secured Obligations and to the Secured Parties' Liens on the Collateral in a manner satisfactory to the Administrative Agent; and

(x) Liens created, arising or securing obligations under the Receivables Purchase Agreement.

provided, however, that notwithstanding any of the foregoing, no consensual Liens (other than Liens permitted under clause (s) and (v) above, in the case of Securities Collateral) shall be permitted to exist, directly or indirectly, on any Securities Collateral, other than Liens granted pursuant to the Security Documents or the Revolving Credit Security Documents.

SECTION 6.03 Sale and Leaseback Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a "**Sale and Leaseback Transaction**") unless (i) the sale of such property is permitted by Section 6.06, (ii) any Liens arising in connection with its use of such property are permitted by Section 6.02 and (iii) after giving effect to such Sale and Leaseback Transaction, (A) in the case of NKL, the aggregate fair market value of all properties covered by Sale and Leaseback Transactions entered into by NKL would not exceed $200 million and (B) in the case of Holdings or any other Subsidiary of Holdings, the aggregate fair market value of all properties covered by Sale and Leaseback Transactions entered into by all such persons would not exceed $100 million.

SECTION 6.04 Investments, Loan and Advances. Directly or indirectly, lend money or credit (by way of guarantee or otherwise) or make advances to any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other ownership interest in, or make any capital contribution to, any other person, or purchase or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the property and assets or business of any other person or assets constituting a business unit, line of business or division of any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract (all of the foregoing, collectively, "Investments"; it being understood that the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment and when determining the amount of an Investment that remains outstanding, the last paragraph of this Section 6.04 shall apply), except that the following shall be permitted:

(a) Investments consisting of unsecured guaranties of, or other unsecured Contingent Obligations with respect to, operating payments not constituting Indebtedness for borrowed money incurred by Subsidiaries that are not Loan Parties, in the ordinary course of business, that, to the extent paid, shall not exceed an aggregate amount equal to $75 million less the amount of Contingent Obligations by Loan Parties in respect of Companies that are not Loan Parties permitted pursuant to Section 6.01(i)(ii);

(b) Investments outstanding on the Closing Date and identified on Schedule 6.04(b);

(c) the Companies may (i) acquire and hold accounts receivable owing to any of them if created or acquired in the ordinary course of business or in connection with a Permitted Acquisition, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Investments in Securitization Subsidiaries in connection with Securitization Facilities permitted by Section 6.01(e);

(e) the Loan Parties and their Subsidiaries may make loans and advances (including payroll, travel and entertainment related advances) in the ordinary course of business to their respective employees (other than any loans or advances to any director or executive officer (or equivalent thereof) that would be in violation of Section 402 of the Sarbanes-Oxley Act) so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed (when aggregated with loans and advances outstanding pursuant to clause (h) below) $15 million;

(f) any Company may enter into Hedging Agreements to the extent permitted by Section 6.01(c);

(g) Investments made by any Company as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06;

(h) loans and advances to directors, employees and officers of the Loan Parties and their Subsidiaries for bona fide business purposes, in aggregate amount not to exceed (when aggregated with loans and advances outstanding pursuant to clause (e) above) $15 million at any time outstanding; provided that no loans in violation of Section 402 of the Sarbanes-Oxley Act shall be permitted hereunder;

(i) Investments (i) by any Company in any other Company outstanding on the Closing Date and Investments made on or about the Closing Date in connection with the Receivables Purchase Agreement, (ii) by any Company in any Unrestricted Grantor, (iii) by any Restricted Grantor in any other Restricted Grantor, (iv) by an Unrestricted Grantor in any Restricted Grantor up to an aggregate amount made after the Closing Date of $50 million in the aggregate at any one time outstanding and (v) by any Company that is not a Loan Party in any other Company; provided that any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and, in the case of a loan or advance by a Loan Party, evidenced by

an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents;

(j) Investments in securities or other obligations received upon foreclosure or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of trade creditors or customers or in connection with the settlement of delinquent accounts in the ordinary course of business, and Investments received in good faith in settlement of disputes or litigation;

(k) Investments in Joint Ventures in which the Loan Parties hold at least 50% of the outstanding Equity Interests or Joint Venture Subsidiaries made with the Net Cash Proceeds of Asset Sales made in accordance with Section 6.06(k);

(l) Investments in Norf GmbH for purposes of making Capital Expenditures in an aggregate amount not to exceed $10 million during any Fiscal Year;

(m) Permitted Acquisitions; provided that the Lien on and security interest in such Investment granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable;

(n) [INTENTIONALLY OMITTED];

(o) Mergers, amalgamations and consolidations in compliance with Section 6.05; provided that the Lien on and security interest in such Investment granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable;

(p) Investments in respect of European Cash Pooling Arrangements, subject to the limitations set forth in Section 6.07;

(q) Investments consisting of guarantees of Indebtedness referred to in clauses (i) (to the extent such guarantee is in effect on the Closing Date or permitted as part of a Permitted Refinancing), (ii) and (iii) of Section 6.01(b) and Contingent Obligations permitted by Section 6.01(i); and

(r) other Investments in an aggregate amount not to exceed $200 million at any time outstanding; provided that any such Investment in the form of a loan or advance to any Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent and, in the case of a loan or advance by a Loan Party, evidenced by an Intercompany Note and pledged by such Loan Party as Collateral pursuant to the Security Documents.

An Investment shall be deemed to be outstanding to the extent not returned in the same form as the original Investment to any Company. The outstanding amount of an Investment shall, in the case of a Contingent Obligation that has been terminated, be reduced to the extent no payment is or was made with respect to such Contingent Obligation upon or prior to the termination of such Contingent Obligation; and the outstanding amount of other Investments shall be reduced by the

amount of cash or Cash Equivalents received with respect to such Investment upon the sale or disposition thereof, or constituting a return of capital with respect thereto or, repayment of the principal amount thereof, in the case of a loan or advance.

SECTION 6.05 **Mergers, Amalgamations and Consolidations**. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger, amalgamation or consolidation (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

(a) Asset Sales in compliance with Section 6.06;

(b) Permitted Acquisitions in compliance with Section 6.04;

(c) (i) any Company may merge, amalgamate or consolidate with or into any Unrestricted Grantor (provided that (A) in the case of any merger, amalgamation or consolidation involving a Borrower, a Borrower is the surviving or resulting person, and in any other case, an Unrestricted Grantor is the surviving or resulting person, (B) no Borrower shall merge, amalgamate or consolidate with or into any other Borrower, (C) in the case of any merger, amalgamation or consolidation involving Canadian Borrower, the surviving or resulting Borrower is organized under the laws of Canada or the United States (or any state thereof or the District of Columbia) and (D) in the case of any merger or consolidation involving the U.S. Borrower, the surviving Borrower is organized under the laws of the United States (or any state thereof or the District of Columbia)), (ii) any Restricted Grantor may merge, amalgamate or consolidate with or into any other Restricted Grantor organized under the laws of the same country (or any jurisdiction within such same country) (provided that a Subsidiary Guarantor is the surviving or resulting person), and (iii) any Company that is not a Loan Party may merge, amalgamate or consolidate with or into any Restricted Grantor (provided that a Subsidiary Guarantor is the surviving or resulting person); provided that, in the case of each of the foregoing clauses (i) through (iii), (1) the surviving or resulting person is a Wholly Owned Subsidiary of Holdings, (2) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable and (3) no Default is then continuing or would result therefrom; provided that in the case of any amalgamation or consolidation involving a Loan Party, at the request of the Administrative Agent, such Loan Party and each other Loan Party shall confirm its respective Secured Obligations and Liens under the Loan Documents in a manner reasonably satisfactory to the Administrative Agent;

(d) any Subsidiary that is not a Loan Party may merge, amalgamate or consolidate with or into any other Subsidiary that is not a Loan Party;

(e) Holdings and Canadian Borrower may consummate the Permitted Holdings Amalgamation;

(f) any Subsidiary (other than any Borrower) may dissolve, liquidate or wind up its affairs at any time; provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect; and

(g) any Unrestricted Grantor (other than a Borrower) may dissolve, liquidate or wind-up its affairs (collectively, "**Wind-Up**"), so long as all of its assets are distributed or otherwise transferred to an Unrestricted Grantor organized under the laws of the same jurisdiction as the Unrestricted Grantor Winding-Up its affairs and any Restricted Grantor may Wind-Up so long as all of its assets are distributed or otherwise transferred to a Restricted Grantor or an Unrestricted Grantor organized under the laws of the same jurisdiction as the Restricted Grantor Winding-Up its affairs; provided that (1) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or created in accordance with the provisions of Section 5.11 or Section 5.12, as applicable and (2) no Default is then continuing or would result therefrom.

To the extent the Required Lenders or such other number of Lenders whose consent is required under Section 11.02, as applicable, waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, and so long as the Lien of the Revolving Credit Funding Agent or the Revolving Credit Collateral Agent (or any other Revolving Credit Agents) pursuant to the Revolving Credit Loan Documents in such Collateral is also released, such Collateral (unless sold to a Loan Party) shall be sold free and clear of the Liens created by the Security Documents, and so long as Borrowers shall have provided the Agents with such certifications or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.05, and the Agents shall take all actions as Administrative Borrower reasonably requests in order to effect the foregoing.

SECTION 6.06 Asset Sales. Effect any Asset Sale, or agree to effect any Asset Sale, except that the following shall be permitted:

(a) disposition of used, worn out, obsolete or surplus property by any Company in the ordinary course of business and the abandonment or other disposition of Intellectual Property that is, in the reasonable judgment of Borrowers, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole;

(b) so long as no Default is then continuing or would result therefrom, any other Asset Sale (other than the Equity Interests of any Wholly Owned Subsidiary unless all of the Equity Interests of such Subsidiary then owned by any of the Companies are sold to the purchaser thereof in a sale permitted by this clause (b)) for fair market value, with at least 80% of the consideration received for all such Asset Sales payable in cash upon such sale; provided, however, that with respect to any such Asset Sale pursuant to this clause (b), the aggregate consideration received during any fiscal year for all such Asset Sales shall not exceed $150 million;

(c) leases, subleases or licenses of the properties of any Company in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(d) mergers and consolidations, and liquidations and dissolutions in compliance with Section 6.05;

(e) sales, transfers and other dispositions of Accounts for the fair market value thereof in connection with a Permitted Factoring Facility so long as at any time of determination the aggregate book value of the then outstanding Accounts subject to a Permitted Factoring Facility does not exceed an amount equal to $300 million less the amount of Indebtedness under all outstanding Securitization Facilities at such time less the amount of Indebtedness outstanding under Section 6.01(m) at such time;

(f) the sale or disposition of cash and Cash Equivalents in connection with a transaction otherwise permitted under the terms of this Agreement;

(g) assignments and licenses of intellectual property of any Loan Party and its Subsidiaries in the ordinary course of business and which do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(h) Asset Sales (other than the Equity Interests of any Subsidiary unless all of the Equity Interests of such Subsidiary then owned by any of the Companies are sold to the purchaser thereof in a sale permitted by this clause (h)) (i) by and among Unrestricted Grantors (other than Holdings), (ii) by and among Restricted Grantors organized under the laws of the same country (or jurisdictions within such same country), (iii) by Restricted Grantors to Unrestricted Grantors so long as the consideration paid by Unrestricted Grantors in each such Asset Sale does not exceed fair market value for such Asset Sale, (iv) by Unrestricted Grantors to Restricted Grantors of property for fair market value, and for aggregate consideration, not in excess of $25 million for all such Asset Sales following the Closing Date, (v) by Companies that are not Loan Parties to Loan Parties so long as the consideration paid by Loan Parties in each such Asset Sale does not exceed (1) the fair market value for such Asset Sale and (2) $25 million for all such Asset Sales following the Closing Date; and (vi) by and among Companies that are not Loan Parties; provided that (A) in the case of any transfer from one Loan Party to another Loan Party, any security interests granted to the Collateral Agent for the benefit of any Secured Parties pursuant to the relevant Security Documents in the assets so transferred shall (1) remain in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) or (2) be replaced by security interests granted to the relevant Collateral Agent for the benefit of the relevant Secured Parties pursuant to the relevant Security Documents, which new security interests shall be in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such transfer) and (B) no Default is then continuing or would result therefrom;

(i) the Companies may consummate Asset Swaps (other than Asset Swaps constituting all or substantially all of the asset of a Company), so long as (x) each such sale is in an arm's-length transaction and the applicable Company receives at least fair market value consideration (as determined in good faith by such Company), (y) the Collateral Agent shall have a First Priority perfected Lien on the assets acquired pursuant to such Asset Swap at least to the same extent as the assets sold pursuant to such Asset Swap (immediately prior to giving effect thereto) and (z) the aggregate fair market value of all assets sold pursuant to this clause

(i) shall not exceed $25 million in the aggregate since the Closing Date; provided that so long as the assets acquired by any Company pursuant to the respective Asset Swap are located in the same country as the assets sold by such Company, such $25 million aggregate cap will not apply to such Asset Swap;

(j) sales, transfers and other dispositions of Receivables and Related Security to a Securitization Subsidiary for the fair market value thereof and all sales, transfers or other dispositions of Securitization Assets by a Securitization Subsidiary under, and pursuant to, a related Securitization Facility permitted under Section 6.01(e);

(k) so long as no Default is then continuing or would result therefrom, the arm's-length sale or disposition for cash of Equity Interests in a Joint Venture Subsidiary for fair market value or the issuance of Equity Interests in a Joint Venture Subsidiary; provided, however, that the aggregate fair market value of all such Equity Interests sold or otherwise disposed of pursuant to this clause (k) following the Closing Date shall not exceed $300 million; and

(l) issuances of Equity Interests permitted under Section 6.13(b)(i), (ii), (iii), (iv) and (vi).

To the extent the Required Lenders or such other number of Lenders whose consent is required under Section 11.02, as applicable, waive the provisions of this Section 6.06 with respect to the sale of any Collateral or any Collateral is sold as permitted by this Section 6.06, and so long as the Lien of the Revolving Credit Funding Agent or the Revolving Credit Collateral Agent (or any other Revolving Credit Agents) pursuant to the Revolving Credit Loan Documents in such Collateral is also released, such Collateral (unless sold to a Loan Party) shall be sold free and clear of the Liens created by the Security Documents, and so long as the Loan Parties shall have provided the Agents such certificates or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.06, the Agents shall take all actions as Administrative Borrower reasonably requests in order to effect the foregoing.

SECTION 6.07 European Cash Pooling Arrangements. Amend, vary or waive any term of the European Cash Pooling Arrangements without express written consent of the Administrative Agent, or enter into any new pooled account or netting agreement with any Affiliate without express written consent of the Administrative Agent. Permit the aggregate amount owed pursuant to the European Cash Pooling Arrangements by all Companies who are not Loan Parties minus the aggregate amount on deposit pursuant to the European Cash Pooling Arrangements from such Persons to exceed $30 million.

SECTION 6.08 Dividends. Authorize, declare or pay, directly or indirectly, any Dividends with respect to any Company, except that the following shall be permitted:

(a) (i) Dividends by any Company to any Loan Party that is a Wholly Owned Subsidiary of Holdings, (ii) Dividends by Holdings payable solely in Qualified Capital Stock and (iii) Dividends by Holdings payable with the proceeds of Permitted Holdings Indebtedness;

(b) (i) Dividends by any Company that is not a Loan Party to any other Company that is not a Loan Party but is a Wholly Owned Subsidiary of Holdings and (ii) cash Dividends by any Company that is not a Loan Party to the holders of its Equity Interests on a pro rata basis;

(c) (A) to the extent actually used by Holdings to pay such franchise taxes, costs and expenses, payments by Borrowers to or on behalf of Holdings in an amount sufficient to pay franchise taxes and other fees solely required to maintain the legal existence of Holdings and (B) payments by Borrowers to or on behalf of Holdings in an amount sufficient to pay out-of-pocket legal, accounting and filing costs and other expenses in the nature of overhead in the ordinary course of business of Holdings, in the case of clauses (A) and (B) in an aggregate amount not to exceed $5 million in any fiscal year;

(d) Beginning with the fiscal year of Canadian Borrower commencing in 2009, Canadian Borrower may pay cash Dividends to Holdings the proceeds of which may be utilized by Holdings to pay cash Dividends to the holders of its Equity Interests (or to repay Subordinated Debt Loans) in an amount declared and paid in any fiscal year of Canadian Borrower not to exceed 50% of Consolidated Net Income for the previous fiscal year of Canadian Borrower (beginning with the first complete fiscal year commencing after the Closing Date) (such amount for any such fiscal year, determined after giving effect to clause (ii) below, the "**CNI Basket**") less the aggregate amount of any repayments or redemptions of Indebtedness under the Senior Note Documents (or any Permitted Refinancings of any of such Indebtedness) made out of the CNI Basket for such fiscal year pursuant to clause (z) of Section 6.11(a); provided that (i) the Dividends described in this clause (d) shall not be permitted if a Default is continuing at the date of declaration or payment thereof or would result therefrom and (ii) Consolidated Net Income shall be calculated for purposes of this clause (d) and for purposes of Section 6.11 without giving effect to non-cash after-tax gains and losses resulting from the mark-to-market of any Hedging Agreement in accordance with the Statement of Financial Accounting Standards No. 133 or non-cash after-tax gains or losses relating to any balance sheet translation in accordance with the Statement of Financial Accounting Standards No. 52 and, in either case, assuming an applicable tax rate equal to 35%; and

(e) to the extent constituting a Dividend, payments permitted by Section 6.09(d) that do not relate to Equity Interests.

SECTION 6.09 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with or for the benefit of any Affiliate of any Company (other than between or among Loan Parties), other than on terms and conditions at least as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends permitted by Section 6.08;

(b) Investments permitted by Section 6.04(d), (e), (h), (i) or (l);

(c) mergers, amalgamations and consolidations permitted by Section 6.05(c), (d), (e), (f) or (g), Asset Sales permitted by Section 6.06(h) and issuances of Equity Interests by Holdings or among Loan Parties, in each case, to the extent permitted by Section 6.13(b);

(d) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements, in each case approved by the Board of Directors of Canadian Borrower;

(e) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods and services, in each case in the ordinary course of business and otherwise not prohibited by the Loan Documents;

(f) the existence of, and the performance by any Company of its obligations under the terms of, any limited liability company, limited partnership or other Organizational Document or securityholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party on the Closing Date and which has been disclosed in writing to the Administrative Agent as in effect on the Closing Date, and similar agreements that it may enter into thereafter, to the extent not more adverse to the interests of the Lenders in any material respect, when taken as a whole, than any of such documents and agreements as in effect on the Closing Date;

(g) the Transactions as contemplated by the Transaction Documents;

(h) Securitization Facilities permitted under Section 6.01(e) and transactions in connection therewith on a basis no less favorable to the applicable Company as would be obtained in a comparable arm's length transaction with a person not an Affiliate thereof;

(i) cash management netting and pooled account arrangements permitted under Section 6.01(r);

(j) transactions between or among any Companies that are not Loan Parties;

(k) transactions between Loan Parties and Companies that are not Loan Parties that are at least as favorable to each such Loan Party as would reasonably be obtained by such Loan Party in a comparable arm's-length transaction with a person other than an Affiliate; and

(l) transactions contemplated by the Receivables Purchase Agreement;

provided that notwithstanding any of the foregoing or any other provision of this Agreement, all intercompany loans, advances or other extensions of credit made to or by Companies organized in Switzerland shall be on fair market terms.

SECTION 6.10 [INTENTIONALLY OMITTED].

SECTION 6.11 Prepayments of Other Indebtedness; Modifications of Organizational Documents and Other Documents, etc. Directly or indirectly:

(a) (i) make any voluntary or optional payment of principal on or prepayment on or redemption or acquisition for value of, or complete any mandatory prepayment, redemption or purchase offer in respect of, or otherwise voluntarily or optionally defease or segregate funds with respect to, any Indebtedness under the Senior Note Documents or any Subordinated Indebtedness (including the Subordinated Debt Loan and any Additional Subordinated Debt Loan but excluding any Subordinated Indebtedness wholly among Loan Parties) or any Permitted Refinancings of any of such Indebtedness, except (v) the Subordinated Debt Loan may be repaid with the proceeds of Permitted Holdings Indebtedness, (w) Indebtedness under the Senior Note Documents may be repaid or redeemed with the proceeds of Incremental Term Loans, (x) with the proceeds of a Permitted Refinancing of such Indebtedness, (y) redemptions of the Senior Notes required under the terms of Senior Note Documents pursuant to Section 4.17 of the Senior Note Agreement (as in effect on the Closing Date) as a result of the Hindalco Acquisition and (z) beginning in 2009, and so long as no Default is continuing or would result therefrom, repayments or redemptions of Indebtedness under the Senior Notes Documents (or any Permitted Refinancings (other than a refinancing with Incremental Term Loans) of any of such Indebtedness) in an aggregate amount not to exceed the CNI Basket for the previous fiscal year of Canadian Borrower (beginning with the first complete fiscal year commencing after the Closing Date) less the aggregate amount of any cash Dividends paid out of the CNI Basket for such fiscal year pursuant to Section 6.08(d), (ii) make any payment on or with respect to any Subordinated Indebtedness wholly among Loan Parties in violation of the Subordination provisions thereof or (iii) make any payment (whether, voluntary, mandatory, scheduled or otherwise) on or with respect to any Subordinated Indebtedness (including payments of principal and interest thereon, but excluding the discharge or release by Novelis AG (as consideration for the purchase of receivables under the Receivables Purchase Agreement) of loans or advances made by Novelis AG to German Seller) if an Event of Default is continuing or would result therefrom;

(b) [INTENTIONALLY OMITTED];

(c) amend or modify, or permit the amendment or modification of, any provision of any document governing any Material Indebtedness (other than Indebtedness under the Loan Documents or Revolving Credit Loan Documents (or any Permitted Revolving Credit Facility Refinancings thereof) and Indebtedness of NKL permitted under Section 6.01(m) or listed on Schedule 6.01) in any manner that, taken as a whole, is adverse in any material respect to the interests of the Lenders;

(d) amend or modify, or permit the amendment or modification of, any provision of any document governing any Indebtedness under the Revolving Credit Loan Documents (or any Permitted Revolving Credit Facility Refinancings thereof) if such amendment or modification would (i) cause the aggregate principal amount (or accreted value, if applicable) of all such Indebtedness, after giving effect to such amendment or modification, to at any time exceed the Maximum Revolving Credit Facility Amount, (ii) cause the "Applicable Margin" or similar component of the interest rate or yield provisions applicable to such Indebtedness, after giving effect to such amendment or modification, to be increased from the highest "Applicable Margin" set forth in the Revolving Credit Loan Documents as of the Closing Date by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate specified in the Revolving Credit Agreement), (iii) cause such Indebtedness to have a final

maturity date earlier than the final maturity date of such Indebtedness immediately prior to such amendment or modification or (iv) result in the persons that are (or are required to be) obligors under such Indebtedness to be different from the persons that are (or are required to be) obligors under such Indebtedness being so amended or modified (unless such persons required to be obligors under such Indebtedness are or are required to be or become obligors under the Loan Documents); and provided that prior to the effectiveness of such amendment or modification, a Responsible Officer of Administrative Borrower shall have delivered an Officers' Certificate to the Administrative Agent (together with a reasonably detailed description of the material terms and conditions of such amendment or modification or drafts of the documentation relating thereto) certifying that Administrative Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements;

(e) terminate, amend or modify any of its Organizational Documents (including (x) by the filing or modification of any certificate of designation and (y) any election to treat any Pledged Securities (as defined in the Security Agreement) as a "security" under Section 8-103 of the UCC other than concurrently with the delivery of certificates representing such Pledged Securities to the Collateral Agent) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders' agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments or modifications or such new agreements which are not adverse in any material respect to the interests of the Lenders;

(f) amend or modify, or grant any consents, waivers or approvals with respect to, or permit the amendment or modification of, or granting of any consents, waivers or approvals with respect to, the Receivables Purchase Agreement, without the consent of the Administrative Agent; or

(g) amend or modify, or permit the amendment or modification of, any provision of any document governing any Subordinated Debt Loan or Additional Subordinated Debt Loan in any manner except as consented to by the Administrative Agent in connection with the Permitted Holdings Amalgamation and except in a manner that is not adverse in any respect to the Lenders and consented to by the Administrative Agent or in connection with increasing the Subordinated Debt Loan pursuant to an Additional Subordinated Debt Loan.

SECTION 6.12 **Limitation on Certain Restrictions on Subsidiaries**. Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary of Canadian Borrower to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by Canadian Borrower or any Subsidiary of Canadian Borrower, or pay any Indebtedness owed to Canadian Borrower or a Subsidiary of Canadian Borrower, (b) make loans or advances to Canadian Borrower or any Subsidiary of Canadian Borrower or (c) transfer any of its properties to Canadian Borrower or any Subsidiary of Canadian Borrower, except for such encumbrances or restrictions existing under or by reason of (i) applicable Requirements of Law; (ii) this Agreement and the other Loan Documents; (iii) the Senior Note Documents and the Revolving Credit Loan Documents or other Material Indebtedness; provided that in the case of such other Material Indebtedness, such encumbrances and restrictions are, taken as a whole, no more restrictive than such encumbrances and restrictions in the Loan Documents in existence on the Closing Date; (iv) customary provisions restricting subletting or assignment of any lease

governing a leasehold interest of a Company; (v) customary provisions restricting assignment of any agreement entered into by a Subsidiary of Canadian Borrower; (vi) any holder of a Lien permitted by Section 6.02 restricting the transfer of the property subject thereto; (vii) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale; (viii) any agreement in effect at the time such Subsidiary of Canadian Borrower becomes a Subsidiary of Canadian Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of Canadian Borrower; (ix) without affecting the Loan Parties' obligations under Section 5.11, customary provisions in partnership agreements, shareholders' agreements, joint venture agreements, limited liability company organizational governance documents and other Organizational Documents, entered into in the ordinary course of business (or in connection with the formation of such partnership, joint venture, limited liability company or similar person) that (A) restrict the transfer of Equity Interests in such partnership, joint venture, limited liability company or similar person or (B) the case of any Joint Venture or Joint Venture Subsidiary that is not a Loan Party, provide for other restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the Equity Interests in, or property held in, such joint venture, and customary provisions in asset sale and stock sale agreements and other similar agreements permitted hereunder that provide for restrictions of the type described in clauses (a), (b) and (c) above, solely with respect to the assets or persons subject to such sale agreements; (x) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business; (xi) any instrument governing Indebtedness assumed in connection with any Permitted Acquisition, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired; or (xii) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise not prohibited by the Loan Documents of the contracts, instruments or obligations referred to in clauses (iii), (viii) or (xi) above; provided that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

SECTION 6.13 Limitation on Issuance of Capital Stock.

(a) Except as permitted by clause (b)(vi) below, issue any Equity Interest that is not Qualified Capital Stock.

(b) Issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of any of the Loan Parties in any class of the Equity Interests of such issuing Company or issuances of Equity Interests in Joint Venture Subsidiaries in connection with the creation thereof; (ii) Subsidiaries of Canadian Borrower formed after the Closing Date in accordance with Section 6.14 may issue Equity Interests to Canadian Borrower or the Subsidiary of Canadian Borrower which is to own such Equity Interests; (iii) Canadian Borrower may issue common stock that is Qualified Capital Stock to Holdings; (iv) Holdings may issue Equity Interests that are Qualified Capital Stock; (v) any Company that is not a direct or indirect Wholly Owned Subsidiary of Holdings may issue Qualified Capital Stock to the extent such issuance would be a permitted Asset Sale under

Section 6.06; and (vi) Joint Venture Subsidiaries may issue Preferred Stock or Disqualified Capital Stock. All Equity Interests issued in accordance with this Section 6.13(b) shall, to the extent required by Section 5.11 or any Security Document or if such Equity Interests are issued by any Loan Party (other than Holdings), be delivered to the Collateral Agent for pledge pursuant to the applicable Security Agreement.

SECTION 6.14 Limitation on Creation of Subsidiaries. Establish, create or acquire any additional Subsidiaries without the prior written consent of the Required Lenders; provided that, without such consent, Loan Parties may (i) establish or create one or more Wholly Owned Subsidiaries of Holdings or (ii) establish, create or acquire one or more Subsidiaries in connection with an Investment made pursuant to Section 6.04(d), (k), (m), (o) or (p), so long as, in each case, Section 5.11(b) shall be complied with.

SECTION 6.15 Business.

(a) Each of Holdings, Novelis Europe Holdings Limited and Eurofoil shall not engage in any business or activity other than (i) holding shares in the Equity Interests of its Subsidiaries, (ii) holding intercompany loans made to Canadian Borrower, (iii) other activities attributable to or ancillary to its role as a holding company for its Subsidiaries and (iv) compliance with its obligations under the Loan Documents, the Term Loan Documents (and any Permitted Term Loan Facility Refinancings thereof), and the Senior Note Documents (and any Permitted Refinancings thereof).

(b) With respect to Borrower and the Subsidiaries, engage (directly or indirectly) in any business other than those businesses in which Borrower and its Subsidiaries are engaged on the Closing Date as described in the Confidential Information Memorandum (or, in the good faith judgment of the Board of Directors, which are substantially related thereto or are reasonable extensions thereof).

(c) Permit any Securitization Subsidiary to engage in any business or activity other than performing its obligations under the related Securitization Facility.

SECTION 6.16 Limitation on Accounting Changes. Make or permit any change in accounting policies or reporting practices or tax reporting treatment, except changes that are permitted by GAAP or any Requirement of Law and disclosed to the Administrative Agent.

SECTION 6.17 Fiscal Year. Change its fiscal year-end to a date other than March 31.

SECTION 6.18 Lease Obligations. Create, incur, assume or suffer to exist any obligations as lessee for the rental or hire of real or personal property of any kind under leases or agreements to lease (other than Capital Lease Obligations permitted under Section 6.01(f)) having an original term of one year or more that would cause the aggregate amount of rent paid or reserved in respect of all such obligations to exceed $25 million payable in any fiscal year of Canadian Borrower.

SECTION 6.19 No Further Negative Pledge. Enter into or suffer to exist any consensual agreement, instrument, deed or lease which prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of their respective properties

or revenues, whether now owned or hereafter acquired to secure the Secured Obligations, or which requires the grant of any security for an obligation if security is granted to secure the Secured Obligations, except the following: (1) this Agreement and the other Loan Documents; (2) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby; (3) the Senior Note Documents and the Revolving Credit Loan Documents; and (4) any prohibition or limitation that (a) exists pursuant to applicable Requirements of Law, (b) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale, (c) restricts subletting or assignment of any lease governing a leasehold interest of a Loan Party or a Subsidiary, (d) is permitted under Section 6.02(s), (e) exists in any agreement or other instrument of a person acquired in an Investment permitted hereunder in existence at the time of such Investment (but not created in connection therewith or in contemplation thereof), which prohibition or limitation is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person so acquired, (f) is contained in any joint venture, shareholders agreement, limited liability operating agreement or other Organizational Document governing a Joint Venture or Joint Venture Subsidiary which limits the ability of an owner of an interest in a Joint Venture or Joint Venture Subsidiary from encumbering its ownership interest therein or (g) is imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (3) or (4)(e); provided that such amendments and refinancings are no more materially restrictive with respect to such prohibitions and limitations than those prior to such amendment or refinancing.

SECTION 6.20 Anti-Terrorism Law; Anti-Money Laundering.

(a) Directly or indirectly, (i) knowingly conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.22, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Loan Parties' compliance with this Section 6.20).

(b) Cause or permit any of the funds of such Loan Party that are used to repay the Loans to be derived from any unlawful activity with the result that the making of the Loans would be in violation of any Requirement of Law.

SECTION 6.21 Embargoed Persons. Cause or permit (a) any of the funds or properties of the Loan Parties that are used to repay the Loans to constitute property of, or be beneficially owned directly or indirectly by, any person subject to sanctions or trade restrictions under United States law ("**Embargoed Person**" or "**Embargoed Persons**") that is identified on (1) the "List of Specially Designated Nationals and Blocked Persons" maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C.

§§ 1701 *et seq*., The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq*., and any Executive Order or Requirement of Law promulgated thereunder, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law, or the Loans made by the Lenders would be in violation of a Requirement of Law, or (2) the Executive Order, any related enabling legislation or any other similar Executive Orders or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in the Loan Parties, with the result that the investment in the Loan Parties (whether directly or indirectly) is prohibited by a Requirement of Law or the Loans are in violation of a Requirement of Law.

SECTION 6.22 Tax Shelter Reporting. Treat the Loans as being a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. In the event Borrowers (or any of them) determine to take any action inconsistent with such intention, they will promptly notify the Administrative Agent thereof. This covenant shall survive the payment and termination of any Loans under this Agreement.

ARTICLE VII.

GUARANTEE

SECTION 7.01 The Guarantee. The Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and permitted assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Loans made by the Lenders to, and the Notes held by each Lender of, each Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document (including any Hedging Agreement entered into with a counterparty that is a Secured Party), and the performance of all obligations under any of the foregoing, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "**Guaranteed Obligations").** In addition to the guarantee contained herein, each Guarantor that is a Foreign Subsidiary, as well as Holdings, shall execute a Guarantee governed by the applicable law of such Person's jurisdiction of organization (each such Guarantee, a "**Foreign Guarantee**") and to the extent that the provisions of this Article VII shall duplicate or conflict with the provisions thereof, the terms of the Foreign Guarantees shall govern the obligations of such Guarantors. The Guarantors hereby jointly and severally agree that if Borrower(s) or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever as if it was the principal obligor, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. Without prejudice to the generality of Section 7.01 and Section 7.02, each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Loan Documents and/or any facility or amount made available under any of the Loan Documents for the purposes

of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributors to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

SECTION 7.02 Obligations Unconditional. The obligations of the Guarantors under Section 7.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of Borrowers or any other Loan Party under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected; or

(v) the release of any other Guarantor pursuant to Section 7.09.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against any Borrower or any other Loan Party under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the

Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between Borrowers and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against any Borrower or any other Loan Party, or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

SECTION 7.03 **Reinstatement**. The obligations of the Guarantors under this ARTICLE VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantors jointly and severally agree that they will indemnify each Secured Party on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, other than any costs or expenses resulting from the bad faith or willful misconduct of such Secured Party.

SECTION 7.04 **Subrogation; Subordination**. Each Guarantor hereby agrees that until the indefeasible and irrevocable payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against any Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Loan Party permitted pursuant to Section 6.01(d) shall be subordinated to such Loan Party’s Secured Obligations a manner reasonably satisfactory to the Administrative Agent.

SECTION 7.05 **Remedies**. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of Borrowers under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.01) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations

(whether or not due and payable by Borrowers) shall forthwith become due and payable by the Guarantors for purposes of Section 7.01.

SECTION 7.06 **Instrument for the Payment of Money**. Each Guarantor hereby acknowledges that the guarantee in this ARTICLE VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

SECTION 7.07 **Continuing Guarantee**. The guarantee in this ARTICLE VII is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

SECTION 7.08 **General Limitation on Guarantee Obligations**. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement) that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 7.09 **Release of Guarantors**. If, in compliance with the terms and provisions of the Loan Documents, Equity Interests of any Guarantor are sold or transferred such that it ceases to be a Subsidiary (a “Transferred Guarantor”) to a person or persons, none of which is a Loan Party or a Subsidiary, such Transferred Guarantor shall, upon the consummation of such sale or transfer, be released from its obligations under this Agreement (including under Section 11.03 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and the pledge of such Equity Interests so transferred to the Collateral Agent pursuant to the Security Agreements shall be released, and the Collateral Agent shall take such actions as are necessary to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents; provided that such Guarantor is also released from its obligations under the Revolving Credit Loan Documents and other guaranteed Material Indebtedness on the same terms.

SECTION 7.10 **Certain Tax Matters**. Notwithstanding the provisions of Section 2.15 if a Loan Party makes a payment hereunder that is subject to withholding tax in excess of the withholding that would have been imposed on payments made by the Borrower with respect to whose obligation it is making a payment, the Loan Parties shall increase the amount of such payment such that, after deduction and payment of all such withholding taxes, the payee receives an amount equal to the amount it would have received if no such withholding had been imposed; provided that the Agent or Lender provides, as reasonably requested by the relevant Loan Party and as required under Sections 2.15(e) or 2.15(g), as the case may be, such forms, certificates

and documentation that it is legally entitled to furnish and would be required to reduce or eliminate withholding and, with respect to non-U.S. withholding taxes, would not, in the Administrative Agent's or the relevant Lender's reasonable judgment, subject it to any material unreimbursed costs or otherwise be disadvantageous to it in any material respect.

SECTION 7.11 German Guarantor.

(a) Subject to Section 7.11(b) through Section 7.11(e) below, the Secured Parties shall not enforce the guarantee obligations of a German Guarantor existing in the form of a German limited liability company or limited partnership with a limited liability company as partner *(GmbH or GmbH & Co. KG)* under this Article VII to the extent (i) such German Guarantor guarantees obligations of one of its shareholders or of an affiliated company *(verbundenes Unternehmen)* of a shareholder within the meaning of Section 15 of the German Stock Corporation Act *(Aktiengesetz)* (other than a Subsidiary of that German Guarantor or the German Guarantor itself), and (ii) the enforcement of such guarantee for shareholder obligations would reduce, in violation of Section 30 of the German Limited Liability Companies Act *(GmbHG)*, the net assets (assets minus liabilities minus provisions and liability reserves *(Reinvermögen)*, in each case as calculated in accordance with generally accepted accounting principles in Germany *(Grundsätze ordnungsmäßiger Buchführung)* as consistently applied by such German Guarantor in preparing its unconsolidated balance sheets *(Jahresabschluss gem. § 42 GmbH — Act, §§ 242, 264 HGB)* of the German Guarantor (or in the case of a *GmbH & Co. KG*, its general partner) to an amount that is insufficient to maintain its (or in the case of a GmbH & Co. KG, its general partner's) registered share capital *(Stammkapital)* (or would increase an existing shortage in its net assets below its registered share capital); provided that for the purpose of determining the relevant registered share capital and the net assets, as the case may be:

(i) The amount of any increase of registered share capital *(Stammkapital)* of such German Guarantor (or its general partner in the form of a GmbH) implemented after the date of this Agreement that is effected without the prior written consent of the Administrative Agent shall be deducted from the registered share capital of the German Guarantor (or its general partner in the form of a GmbH);

(ii) any loans provided to the German Guarantor by a direct or indirect shareholder or an affiliate thereof (other than a Subsidiary of such German Guarantor) shall be disregarded and not accounted for as a liability to the extent that such loans are subordinated or are considered subordinated under Section 32a GmbHG;

(iii) shareholder loans, other loans and contractual obligations and liabilities incurred by the German Guarantor in violation of the provisions of any of the Loan Documents shall be disregarded and not accounted for as liabilities;

(iv) any assets that are shown in the balance sheet with a book value that, in the opinion of the Administrative Agent, is significantly lower than their market value and that are not necessary for the business of the German Guarantor *(nicht betriebsnotwendig)* shall be accounted for with their market value; and

(v) the assets of the German Guarantor will be assessed at liquidation values *(Liquidationswerte)* if, at the time the managing directors prepare the balance sheet in accordance with paragraph (b) below and absent the demand a positive going concern prognosis *(positive Fortbestehensprognose)* cannot be established.

(b) The limitations set out in Section 7.11(a) only apply:

(i) if and to the extent that the managing directors of the German Guarantor (or in the case of a GmbH Co. KG, its general partner) have confirmed in writing to the Administrative Agent within ten (10) Business Days of a demand for payment under this Article VII the amount of the obligations under this Article VII which cannot be paid without causing the net assets of such German Guarantor (or in the case of a GmbH Co. KG, its general partner) to fall below its registered share capital, or increase an existing shortage in net assets below its registered share capital (taking into account the adjustments set out above) and such confirmation is supported by a current balance sheet and other evidence satisfactory to the Administrative Agent and neither the Administrative Agent nor any Lender raises any objections against that confirmation within five Business Days after its receipt; or

(ii) if, within twenty Business Days after an objection under clause (ii) has been raised by the Administrative Agent or a Lender, the Administrative Agent receives a written audit report **("Auditor's Determination")** prepared at the expense of the relevant German Guarantor by a firm of auditors of international standing and reputation that is appointed by the German Guarantor and reasonably acceptable to the Administrative Agent, to the extent such report identifies the amount by which the net assets of that German Guarantor (or in the case of a *GmbH & Co. KG,* its general partner in the form of a GmbH) are necessary to maintain its registered share capital as at the date of the demand under this Article VII (taking into account the adjustments set out above). The Auditor's Determination shall be prepared in accordance with generally accepted accounting principles applicable in Germany *(Grundsätze ordnungsgemäßer Buchführung)* as consistently applied by the German Guarantor in the preparation of its most recent annual balance sheet. The Auditor's Determination shall be binding for all Parties except for manifest error.

(c) In any event, the Credit Parties shall be entitled to enforce the guarantee up to those amounts that are undisputed between them and the relevant German Guarantor or determined in accordance with Section 7.11(a) and Section 7.11(b). In respect of the exceeding amounts, the Credit Parties shall be entitled to further pursue their claims (if any) and the German Guarantor shall be entitled to provide that the excess amounts are necessary to maintain its registered share capital (calculated as at the date of demand under this Article VII and taking into account the adjustments set out above). The Secured Parties are entitled to pursue those parts of the guarantee obligations of the German Guarantor that are not enforced by operation of Section 7.11(a) above at any subsequent point in time. This Section 7.11 shall apply again as of the time such additional demands are made.

(d) Section 7.11(a) shall not apply as to the amount of Loans borrowed under this Agreement and passed on (whether by way of shareholder loan or equity contribution) to the respective German Guarantor or any of its Subsidiaries as long as the respective shareholder loan is outstanding or the respective equity contribution has not been dissolved or otherwise repaid.

(e) Should it become legally permissible for managing directors of a German Guarantor to enter into guarantees in support of obligations of their shareholders without limitations, the limitations set forth in Section 7.11(a) shall no longer apply. Should any such guarantees become subject to legal restrictions that are less stringent than the limitations set forth in Section 7.11(a) above, such less stringent limitations shall apply. Otherwise, Section 7.11(a) shall remain unaffected by changes in applicable law.

SECTION 7.12 Swiss Guarantors. If and to the extent that (i) the obligations under this ARTICLE VII of any Swiss Guarantor are for the exclusive benefit of any of such Swiss Guarantor's Affiliates (other than such Swiss Guarantor's direct or indirect Subsidiaries) and (ii) complying with the obligations under this ARTICLE VII would constitute a repayment of capital *(restitution des apports)* or the payment of a (constructive) dividend *(distribution de dividende)*, the following shall apply:

(a) The aggregate obligations under this ARTICLE VII of any Swiss Guarantor shall be limited to the maximum amount of such Swiss Guarantor's profits and reserves available for distribution, in each case in accordance with, without limitation, articles 671 para.1 to 3 and 675 para.2 of the Swiss Code of Obligations (the "**Available Amount**") at the time any Swiss Guarantor makes a payment under this ARTICLE VII (provided such limitation is still a legal requirement under Swiss law at that time).

(b) Immediately after having been requested to make a payment under this ARTICLE VII (the "**Guarantee Payment**"), each Swiss Guarantor shall (i) provide the Administrative Agent, within thirty (30) Business Days from being requested to make the Guarantee Payment, with (1) an interim audited balance sheet prepared by the statutory auditors of the applicable Swiss Guarantor, (2) the determination of the Available Amount based on such interim audited balance sheet as computed by the statutory auditors, and (3) a confirmation from the statutory auditors that the Available Amount is the maximum amount which can be paid by the Swiss Guarantor under this ARTICLE VII without breaching the provisions of Swiss corporate law, which are aimed at protecting the share capital and legal reserves, and (ii) upon receipt of the confirmation referred to in the preceding sentence under (3) and after having taken all actions required pursuant to paragraph (d) below, make such Guarantee Payment in full (less, if required, any Swiss Withholding Tax).

(c) If so required under Swiss law (including double tax treaties to which Switzerland is a party) at the time it is required to make a payment under this ARTICLE VII or the Security Documents, the applicable Swiss Guarantor (1) may deduct the Swiss Withholding Tax at the rate of 35% (or such other rate as may be in force at such time) from any payment under this ARTICLE VII or the Security Documents, (2) may pay the Swiss Withholding Tax to the Swiss Federal Tax Administration, and (3) shall notify and provide evidence to the Administrative Agent that the Swiss Withholding Tax has been paid to the Swiss Federal Tax Administration. To the extent the Guarantee Payment due is less than the Available Amount, the applicable Swiss Guarantor shall be required to make a gross-up, indemnify or otherwise hold harmless the Secured Parties for the deduction of the Swiss Withholding Tax, it being understood that at no time shall the Guarantee Payment (including any gross-up or indemnification payment pursuant to this paragraph (c) and including any Swiss Withholding Tax levied thereon) exceed the Available Amount. The applicable Swiss Guarantor shall use its best efforts to ensure that any

person which is, as a result of a payment under this ARTICLE VII, entitled to a full or partial refund of the Swiss Withholding Tax, shall as soon as possible after the deduction of the Swiss Withholding Tax (i) request a refund of the Swiss Withholding Tax under any applicable law (including double tax treaties) and (ii) pay to the Administrative Agent for distribution to the applicable Secured Parties upon receipt any amount so refunded. The Obligations will only be considered as discharged to the extent of the effective payment received by the Secured Parties under this ARTICLE VII. This subsection (c) is without prejudice to the gross-up or indemnification obligations of any Guarantor other that the Swiss Guarantors.

(d) The Swiss Guarantors shall use reasonable efforts to take and cause to be taken all and any other action, including the passing of any shareholders' resolutions to approve any Guarantee Payment under this ARTICLE VII or the Security Documents, which may be required as a matter of Swiss mandatory law or standard business practice as existing at the time it is required to make a Guarantee Payment under this ARTICLE VII or the Security Documents in order to allow for a prompt payment of the Guarantee Payment or Available Amount, as applicable.

SECTION 7.13 **Irish Guarantor**. This Guarantee does not apply to any liability to the extent that it would result in this Guarantee constituting unlawful financial assistance within the meaning of, in respect of any Irish Guarantor, Section 60 of the Companies Act 1963 of Ireland.

SECTION 7.14 **Brazilian Guarantor**. The Brazilian Guarantor waives and shall not exercise any and all rights and privileges granted to guarantors which might otherwise be deemed applicable, including but not limited to the rights and privileges referred to in Articles 827, 834, 835, 836, 837, 838 and 839 of the Brazilian Civil Code and the provisions of Article 595 of the Brazilian Civil Procedure Code.

ARTICLE VIII.

EVENTS OF DEFAULT

SECTION 8.01 **Events of Default**. Upon the occurrence and during the continuance of the following events ("**Events of Default**"):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof (including a Term Loan Repayment Date) or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise, or a prepayment offer required under Section 2.10 shall not be made in accordance with the terms thereof or a default shall be made in the payment of any amounts required to be paid upon consummation of a prepayment offer required under Section 2.10;

(b) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in paragraph (a) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings hereunder, or which is contained in any certificate furnished by or on behalf of a Loan Party pursuant to this Agreement or any other Loan Document, shall prove to have been false or misleading in any material respect when so made or deemed made;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02(a), Section 5.03(a), Section 5.04(a), Section 5.04(b), Section 5.08 or ARTICLE VI);

(e) (i) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02 (other than Section 5.02(a)), and such default shall continue unremedied or shall not be waived for a period of five (5) days after written notice thereof from the Administrative Agent or any Lender to Administrative Borrower, or (ii) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (a), (b), (d) or (e)(i) immediately above) and such default shall continue unremedied or shall not be waived for a period of thirty (30) days after written notice thereof from the Administrative Agent or any Lender to Administrative Borrower;

(f) any Company shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit (in the case of the Senior Notes only, with or without the lapse of time, but after any notice period required thereunder has commenced) the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer purchase by the obligor; provided that, other than in the case of the Revolving Credit Loans, it shall not constitute an Event of Default pursuant to this paragraph (f) unless the aggregate Dollar Equivalent amount of all such Indebtedness referred to in clauses (i) and (ii) exceeds $50 million at any one time (provided that, in the case of Hedging Obligations, the amount counted for this purpose shall be the net amount payable by all Companies if such Hedging Obligations were terminated at such time);

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Loan Party or Material Subsidiary, or of a substantial part of the property of any Loan Party or Material Subsidiary, under Title 11 of the U.S. Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; or (iii) the winding-up, liquidation or examination of any Loan Party or Material Subsidiary; and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party or Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, examiner or similar official for any Loan Party or Material Subsidiary or for a substantial part of the property of any Loan Party or Material Subsidiary; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its insolvency or inability or fail generally to pay its debts as they become due; (vii) take any action for the purpose of effecting any of the foregoing; (viii) wind up or liquidate (except in accordance with Section 6.05) or put into examination, (ix) take any step with a view to a moratorium or a composition or similar arrangement with any creditors of any Loan Party or Material Subsidiary, or a moratorium is declared or instituted in respect of the indebtedness of any Loan Party or Material Subsidiary;

(i) one or more judgments, orders or decrees for the payment of money in an aggregate Dollar Equivalent amount in excess of $25 million, to the extent not covered by insurance or supported by a letter of credit or appeal bonds posted in cash, shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such judgment;

(j) one or more ERISA Events or noncompliance with respect to Foreign Plans or Compensation Plans shall have occurred that, when taken together with all other such ERISA Events and noncompliance with respect to Foreign Plans or Compensation Plans that have occurred, could reasonably be expected to result in liability of any Company and its ERISA Affiliates that could reasonably be expected to result in a Material Adverse Effect;

(k) any security interest and Lien purported to be created by any Security Document shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, a valid, perfected First Priority security interest in and Lien on all of the Collateral thereunder (except as otherwise expressly provided in such Security Document) in favor of the Collateral Agent, or shall be asserted by any Borrower or any other Loan Party not to be a valid, perfected, First Priority (except as otherwise expressly provided in this Agreement, the Intercreditor Agreement or such Security Document) security interest in or Lien on the Collateral covered thereby;

(l) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by any Loan Party or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Loan Party shall repudiate or deny any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control;

(n) the Intercreditor Agreement or any material provision thereof shall cease to be in full force or effect other than (i) as expressly permitted hereunder or thereunder, (ii) by a consensual termination or modification thereof agreed to by the Agents party thereto and the Revolving Credit Agents party thereto, or (iii) as a result of satisfaction in full of the obligations under the Revolving Credit Loan Documents; or

(o) any Company shall be prohibited or otherwise restrained from conducting the business theretofore conducted by it in any manner that has or could reasonably be expected to result in a Material Adverse Effect by virtue of any determination, ruling, decision, decree or order of any court or Governmental Authority of competent jurisdiction;

then, and in every such event (other than an event with respect to any Loan Party described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event or an acceleration of all obligations under the Revolving Credit Agreement, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Administrative Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event, with respect to any Loan Party described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding.

SECTION 8.02 **Rescission**. If at any time after termination of the Commitments or acceleration of the maturity of the Loans, the Loan Parties shall pay all arrears of interest and all payments on account of principal of the Loans owing by them that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant Section 11.02, then upon the written consent of the Required Lenders and written notice to Administrative Borrower, the termination of the Commitments or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit any Loan Party and do not give any Loan Party the right to require the

Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

SECTION 8.03 **Application of Proceeds**. Subject to the terms of the Intercreditor Agreement, the proceeds received by any of the Agents in respect of any sale of, collection from or other realization upon all or any part of the Collateral, whether pursuant to the exercise by the Collateral Agent of its remedies or otherwise (including any payments received with respect to adequate protection payments or other distributions relating to the Obligations during the pendency of any reorganization or insolvency proceeding) after an Event of Default has occurred and is continuing or after the acceleration of the Obligations, shall be applied, in full or in part, together with any other sums then held by the Agents or any Receiver pursuant to this Agreement, promptly by the Agents or any Receiver as follows:

(a) *First*, to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Agents or any Receiver and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Agents or any Receiver in connection therewith and all amounts for which the Agents or any Receiver are entitled to indemnification pursuant to the provisions of any Loan Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including any compensation payable to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third*, without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, *pro rata*, of interest and other amounts constituting Obligations which are then due and owing (other than principal) and any fees, premiums and scheduled periodic payments due under Hedging Agreements constituting Secured Obligations and any interest accrued thereon, in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(d) *Fourth*, to the indefeasible payment in full in cash, *pro rata*, of the principal amount of the Obligations and any premium thereon and any breakage, termination or other payments under Hedging Agreements constituting Secured Obligations and any interest accrued thereon and any remaining Secured Obligations; and

(e) *Fifth*, the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (d) of this Section 8.03, the Loan Parties shall remain liable, jointly and severally, for any deficiency. Notwithstanding any other provision of this Agreement, after

application pursuant to clauses (a) and (b) of this Section 8.03, any remaining proceeds of any of the 525 Collateral Accounts shall be applied to the indefeasible payment in full in cash, *pro rata* of the principal amount of any outstanding Canadian Term Loans which were not prepaid with amounts in such accounts as a result of Section 2.10(h)(vi) and any accrued and unpaid interest thereon, and thereafter, any remaining proceeds of the 525 Collateral Accounts shall be applied in the priority set forth in clauses (c) through (e) of this Section 8.03.

ARTICLE IX.

[INTENTIONALLY OMITTED]

ARTICLE X.

THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

SECTION 10.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints UBS AG, Stamford Branch, to act on its behalf as the Administrative Agent and the Collateral Agent hereunder and under the other Loan Documents and authorizes such Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agents by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Collateral Agent, the other Agents and the Lenders, and neither Borrowers nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

SECTION 10.02 Rights as a Lender. Each person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Borrower or other Loan Party, or any Subsidiary or other Affiliate thereof, as if such person were not an Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 10.03 Exculpatory Provisions.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that such Agent shall not be

required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Requirements of Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or other Loan Party or any of its Affiliates that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity.

(b) No Agent shall be liable for any action taken or not taken by it (x) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 11.02) or (y) in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by Administrative Borrower or a Lender.

(c) No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in ARTICLE IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent. Without limiting the generality of the foregoing, the use of the term “agent” in this Agreement with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term us used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

SECTION 10.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for any Borrower or other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 10.05 **Delegation of Duties.** Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent, including a sub-agent which is a non-U.S. affiliate of such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

SECTION 10.06 **Resignation of Agent.** Each Agent may at any time give notice of its resignation to the Lenders and Administrative Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Administrative Borrower, to appoint a successor, which (i) shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States and (ii) for the Administrative Agent, shall be a commercial bank or other financial institution having assets in excess of $1,000 million. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above provided that if the Agent shall notify Administrative Borrower and the Lenders that no qualifying person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through an Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this ARTICLE X and Section 11.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

SECTION 10.07 **Non-Reliance on Agent and Other Lenders.** Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender further represents and warrants that it has reviewed the Confidential Information Memorandum and each other document made available to it on the Platform in connection with this Agreement and has

acknowledged and accepted the terms and conditions applicable to the recipients thereof. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 10.08 No Other Duties, etc. Notwithstanding anything to the contrary contained herein, none of the Joint Bookmanagers, Joint Lead Arrangers, Syndication Agent, or Documentation Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, as the Collateral Agent or as a Lender hereunder.

SECTION 10.09 Indemnification. The Lenders severally agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrowers or the Guarantors and without limiting the obligation of the Borrowers or the Guarantors to do so), ratably according to their respective outstanding Loans and Commitments in effect on the date on which indemnification is sought under this Section 10.09 (or, if indemnification is sought after the date upon which all Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such outstanding Loans and Commitments as in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section 10.09 shall survive the payment of the Loans and all other amounts payable hereunder.

SECTION 10.10 [INTENTIONALLY OMITTED].

SECTION 10.11 Concerning the Collateral and the Related Loan Documents. Each Lender authorizes and directs Agents to enter into this Agreement and the other Loan Documents, including the Intercreditor Agreement. Each Lender agrees that any action taken by Agents or Required Lenders in accordance with the terms of this Agreement or the other Loan Documents, including the Intercreditor Agreement, and the exercise by Agents or Required Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

SECTION 10.12 Release. Each Lender and each Issuer hereby releases each Agent acting on its behalf pursuant to the terms of this Agreement or any other Loan Document from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) (restriction on self-dealing).

SECTION 10.13 Acknowledgment of Security Trust Deed. Each Lender acknowledges the terms of the Security Trust Deed and, in particular, the terms, basis and limitation on which the Collateral Agent holds the "Transaction Security" (as defined therein) and specifically agrees and accepts (i) such terms, basis and limitation; (ii) that the Collateral Agent shall, as trustee, have only those duties, obligations and responsibilities expressly specified in the Security Trust Deed; (iii) the limitation and exclusion of the Collateral Agent's liability as set out therein; and (iv) all other provisions of the Security Trust Deed as if it were a party thereto.

ARTICLE XI.

MISCELLANEOUS

SECTION 11.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(i) if to any Loan Party, to Administrative Borrower at:

Novelis Inc.
3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326
Attention: Orville Lunking, Treasurer
Telecopier No.: 404-814-4200
Email: orville.lunking@novelis.com

with a copy to:

Novelis Inc.
3399 Peachtree Road NE, Suite 1500
Atlanta, GA 30326
Attention: Leslie J. Parrette, Jr.
Telecopier No.: 404-814-4272
Email: les.parrette@novelis.com

(ii) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire; and

(iii) if to the Administrative Agent or the Collateral Agent, to it at:

UBS AG, Stamford Branch
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Christopher Gomes
Telecopier No.: (203) 719-3180
Email: Christopher.Gomes@UBS.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, CA 90071
Attention: David C. Reamer
Telecopier No.: (213) 687-5600
Phone No.: (213) 687-5000

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may (subject to Section 11.01(d)) be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to ARTICLE II if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or Administrative Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including as set forth in Section 11.01(d)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

(d) Posting. Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at Christopher.Gomes@UBS.com or at such other e-mail address(es) provided to Administrative Borrower from time to time or in such other form, including hard copy delivery thereof, as the Administrative Agent shall reasonably require. Nothing in this Section 11.01(d) shall prejudice the right of the Agents, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document.

To the extent consented to by the Administrative Agent from time to time, Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents; provided that the Administrative Borrower shall also deliver to the Administrative Agent an executed original of each Compliance Certificate and an executed copy (which may be by pdf or similar electronic transmission) of each notice or request of the type described in clauses (i) through (iv) of paragraph (d) above required to be delivered hereunder.

Each Loan Party further agrees that Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "**Platform**"). The Platform is provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability to the Loan Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-

appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct.

SECTION 11.02 Waivers; Amendment.

(a) Generally. No failure or delay by any Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by this Section 11.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether any Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Required Consents. Subject to the terms of the Intercreditor Agreement and to Section 11.02(c) and (d), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders (or by the Administrative Agent with the written consent of the Required Lenders) or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent (or, in the case of any applicable Security Document, the Collateral Agent) and the Loan Party or Loan Parties that are party thereto, in each case with the written consent of the Required Lenders; provided that no such agreement shall be effective if the effect thereof would:

(i) increase the Commitment of any Lender without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default shall constitute an increase in the Commitment of any Lender);

(ii) reduce the principal amount of any Loan or reduce the rate of interest thereon (other than interest pursuant to Section 2.06(c)), or reduce any Fees payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender directly affected thereby;

(iii) (A) change the scheduled final maturity of any Loan, or any scheduled date of payment of or the installment otherwise due on the principal amount of any Loan under Section 2.09, (B) postpone the date for payment of any interest or fees payable hereunder, (C) change the amount of, waive or excuse any such payment (other than waiver of any increase in the interest rate pursuant to Section 2.06(c)), or (D) postpone the scheduled date of expiration of any Commitment without the written consent of each Lender directly affected thereby;

(iv) increase the maximum duration of Interest Periods hereunder, without the written consent of each Lender directly affected thereby;

(v) permit the assignment or delegation by any Borrower of any of its rights or obligations under any Loan Document, without the written consent of each Lender;

(vi) except pursuant to the Intercreditor Agreement, release Holdings or all or substantially all of the Subsidiary Guarantors from their Guarantees (except as expressly provided in this Agreement or as otherwise expressly provided by any such Guarantee), or limit their liability in respect of such Guarantees, without the written consent of each Lender;

(vii) except pursuant to the Intercreditor Agreement or the express terms hereof, release all or a substantial portion of the Collateral from the Liens of the Security Documents or alter the relative priorities of a material portion of the Secured Obligations entitled to the Liens of the Security Documents, in each case without the written consent of each Lender (it being understood that additional Loans or Classes of Loans consented to by the Required Lenders and additional Loans pursuant to Section 2.23 may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents);

(viii) change Section 2.14(b), (c) or (d) in a manner that would alter the *pro rata* sharing of payments or setoffs required thereby or any other provision in a manner that would alter the *pro rata* allocation among the Lenders of Loan disbursements, including the requirements of Section 2.02(a), without the written consent of each Lender directly affected thereby (it being understood that additional Loans or Classes of Loans consented to by the Required Lenders and additional Loans pursuant to Section 2.23 may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents and may share payments and setoffs ratably with other Loans);

(ix) change any provision of this Section 11.02(b), (c), or (d), without the written consent of each Lender directly affected thereby (except for additional restrictions on amendments or waivers for the benefit of Lenders of additional Loans or Classes of Loans consented to by the Required Lenders and additional Loans pursuant to Section 2.23);

(x) change the percentage set forth in the definition of "Required Lenders" or any other provision of any Loan Document (including this Section) specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), other than to increase such percentage or number or to give any additional Lender or group of Lenders such right to waive, amend or modify or make any such determination or grant any such consent;

(xi) change the application of payments as among or between Classes under Section 2.10(h), (i) or (j) or Section 8.03 without the written consent of the Required Class Lenders of each Class that is being allocated a lesser prepayment as a result thereof (it being understood that the Required Lenders may waive, in whole or in part, any prepayment so long as the application, as between Classes, of any portion of such prepayment that is still required to be made is not changed and, if additional Loans or Classes of Loans under this Agreement

consented to by the Required Lenders or additional Loans pursuant to Section 2.23 are made, such new Loans may be included on a pro rata basis in the various payments required pursuant to Section 2.10(h), (i) and (j) and Section 8.03); or

(xii) change or waive any provision of ARTICLE X as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the written consent of such Agent;

provided, further, that

(1) any waiver, amendment or modification prior to the completion of the primary syndication of the Commitments and Loans (as determined by the Arrangers) may not be effected without the written consent of the Arrangers; and

(2) any waiver, amendment or modification of the Intercreditor Agreement (and any related definitions) may be effected by an agreement or agreements in writing entered into among the Collateral Agent, the Administrative Agent, the Revolving Credit Collateral Agent, the Revolving Credit Funding Agent and the Revolving Credit Canadian Administrative Agent (in each case, with the consent of the Required Lenders but without the consent of any Loan Party, so long as such amendment, waiver or modification does not impose any additional duties or obligations on the Loan Parties or alter or impair any right of any Loan Party under the Loan Documents).

(c) Collateral. Without the consent of any other person, the applicable Loan Party or Parties and the Administrative Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law.

(d) Dissenting Lenders. If, in connection with any proposed change, waiver, discharge or termination of the provisions of this Agreement as contemplated by Section 11.02(b), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrowers shall have the right, upon notice by Administrative Borrower to such Lender and the Administrative Agent, to replace all, but not less than all, of such non-consenting Lender or Lenders (so long as all non-consenting Lenders are so replaced) with one or more persons pursuant to Section 2.16 so long as at the time of such replacement each such new Lender consents to the proposed change, waiver, discharge or termination. Each Lender agrees that, if the Borrowers elect to replace such Lender in accordance with this Section, it shall promptly execute and deliver to the Administrative Agent an Assignment and Assumption to evidence such sale and purchase and shall deliver to the Administrative Agent any Note (if Notes have been issued in respect of such Lender’s Loans) subject to such Assignment and Assumption; provided that the failure of any such non-consenting Lender to execute an Assignment and Assumption shall not render such sale and

purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register.

(e) Holdings Amalgamation and Increased Commitments. Notwithstanding the foregoing, the Administrative Agent and the Borrowers (without the consent of any Lenders) may amend or amend and restate this Agreement and the other Loan Documents if necessary or advisable in connection with or to effectuate (i) the Permitted Holdings Amalgamation and (ii) any additional Loans contemplated by Section 2.23.

SECTION 11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Administrative Borrower shall pay or cause the applicable Loan Party to pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Arrangers, and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, and/or the Collateral Agent, expenses incurred in connection with due diligence, inventory appraisal and collateral audit and reporting fees, travel, courier, reproduction, printing and delivery expenses, and the obtaining and maintaining of CUSIP numbers for the Loans) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or in connection with any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including in connection with post-closing searches to confirm that security filings and recordations have been properly made, (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, any Lender or any Receiver (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent, any Lender or any Receiver), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 11.03, (B) in enforcing, preserving and protecting, or attempting to enforce, preserve or protect its interests in the Collateral or (C) in connection with the Loans issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and (iv) all documentary and similar taxes and charges in respect of the Loan Documents.

(b) Indemnification by Borrower. Each Loan Party shall indemnify the Administrative Agent (and any sub-agent thereof), the Collateral Agent (and any sub-agent thereof), each Lender and Receiver, and each Related Party of any of the foregoing persons (each such person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all reasonable out-of-pocket losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds

therefrom, (iii) any actual or alleged presence or Release or threatened Release of Hazardous Materials on, at, under or from any property owned, leased or operated by any Company at any time, or any Environmental Claim related in any way to any Company, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. WITHOUT LIMITATION OF THE FOREGOING, IT IS THE INTENTION OF THE LOAN PARTIES, AND THE LOAN PARTIES AGREE, THAT THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNITEE WITH RESPECT TO LOSSES, CLAIMS, DAMAGES, PENALTIES, LIABILITIES AND RELATED EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR), WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNITEE.

(c) Reimbursement by Lenders. To the extent that any Loan Party for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section 11.03 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Collateral Agent or any Receiver or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof), such Receiver or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof) or the Receiver, in each case, in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Collateral Agent (or any sub-agent thereof) or the Receiver in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.14. For purposes hereof, a Lender's "*pro rata share*" shall be determined based upon its share of the sum of the total outstanding Term Loans and unused Commitments of all Lenders at the time.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Requirements of Law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials

distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than three (3) Business Days after demand therefore accompanied by reasonable particulars of amounts due.

SECTION 11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may (except as a result of a transaction expressly permitted by Section 6.05(c) or 6.05(e)) assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section 11.04, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 11.04 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any Borrower or any Lender shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of any assignment made in connection with the primary syndication of the Commitment and Loans by the Arrangers up to three (3) months after the Closing Date or an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall be an integral multiple of $1 million (provided that in the case of a simultaneous assignment by any assigning Lender of U.S. Term Loans and Canadian Term Loans held by such Lender, the principal outstanding balance of such Loans subject to such assignment shall be aggregated for purposes of determining such minimum assignment amount), unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Classes on a non-*pro rata* basis; and

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with (except in the case of any such assignments by the Arrangers or their Affiliates) a processing and recordation fee of $3,500 (provided that only one such fee shall be imposed in the case of simultaneous assignments by related Approved Funds or Affiliates of the assigning Lender), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 11.04, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.12, Section 2.13, Section 2.15, Section 2.16, Section 7.10 and Section 11.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. No assignment shall be or shall be deemed to be a discharge, recission, extinguishment, novation or substitution of any Loan and any Loan assigned in accordance with this Section 11.04 shall continue to be the same obligation and not a new obligation. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 11.04. In the event of a transfer by novation of all or part of its rights and obligations under this Agreement by a Lender, such Lender expressly reserves the rights, powers, privileges and actions that it enjoys under any Security Documents governed by French law in favor of its Eligible Assignee, in accordance with the provisions of article 1278 *et seq.* of the French *Code civil.*

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall, at all times at one of its offices in Stamford, Connecticut, while any Loans are outstanding, maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Collateral Agent and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice. The requirements of this Section 11.04(c) are intended to result in any and all Loans being in "registered form" for

purposes of Section 871, Section 881 and any other applicable provision of the Code, and shall be interpreted and applied in a manner consistent therewith.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent sell participations to any person (other than a natural person or any Borrower, any of any Borrower's or any other Company's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) each Loan Party, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii) or (iii) of the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (e) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Section 2.12, Section 2.13, Section 2.15, Section 2.16 and Section 7.10 (subject to the requirements of those Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to such sections (as applicable) as though it were a Lender.

(e) Limitations on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.12, Section 2.13, Section 2.15, Section 2.16 and Section 7.10 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Administrative Borrower's prior written consent.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of any Loan Party or the Administrative Agent, collaterally assign or pledge all or any portion of its rights under this Agreement, including the Loans and Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(g) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Requirement of Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 11.05 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Commitments have not expired or terminated. The provisions of Section 2.12, Section 2.14, Section 2.15, Section 2.16 and ARTICLE X shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to any Agent or the Arrangers (and any provisions of any other letter agreements among Canadian Borrower, the Arrangers ABN AMRO, and UBS Loan Finance LLC that are explicitly stated to survive the execution and delivery of this Agreement) (which surviving obligations are hereby assumed by the Borrowers), constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SECTION 11.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the

extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08 Right of Setoff. Subject to the Intercreditor Agreement, if an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Borrower or any other Loan Party against any and all of the obligations of such Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify Administrative Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

(b) Submission to Jurisdiction. Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Requirements of Law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section

11.09(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Requirements of Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopier, e-mail or other electronic transmission) in Section 11.01. Each Loan Party hereby irrevocably designates, appoints and empowers CSC Corporation, 1133 Ave of the Americas, Suite 3100, New York, New York, 10036 (telephone no: 212-299-5600) (telecopy no: 212-299-5656) (electronic mail address: jbudhu@cscinfo.com) (the "**Process Agent**"), in the case of any suit, action or proceeding brought in the United States of America as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of or in connection with this Agreement or any Loan Document. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by applicable Requirements of Law.

SECTION 11.10 Waiver of Jury Trial. Each Loan Party hereby waives, to the fullest extent permitted by applicable Requirements of Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, any other Loan Document or the transactions contemplated hereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section.

SECTION 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12 Treatment of Certain Information; Confidentiality. Each Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or

prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Loan Party and its obligations or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Lender, (g) with the consent of Administrative Borrower or the applicable Loan Party or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Loan Parties. For purposes of this Section, "**Information**" means all information received from a Loan Party or any of its Subsidiaries relating to the Loan Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to any Agent or any Lender on a nonconfidential basis prior to disclosure by any Loan Party or any of their Subsidiaries. Any person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information.

SECTION 11.13 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Act**"), it is required to obtain, verify and record information that identifies the Borrowers and the other Loan Parties, which information includes the name, address and tax identification number of the Borrowers and the other Loan Parties and other information regarding the Borrowers and the other Loan Parties that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers and the other Loan Parties in accordance with the Act. This notice is given in accordance with the requirements of the Act and is effective as to the Lenders and the Administrative Agent.

SECTION 11.14 Interest Rate Limitation. Notwithstanding anything to the contrary contained herein, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable Requirements of Law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Requirements of Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Interbank Rate to the date of repayment, shall have been received by such Lender.

SECTION 11.15 Lender Addendum. Each Lender to become a party to this Agreement on the date hereof shall do so by delivering to the Administrative Agent a Lender Addendum duly executed by such Lender, Administrative Borrower and the Administrative Agent.

SECTION 11.16 Obligations Absolute. To the fullest extent permitted by applicable Requirements of Law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;

(b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

SECTION 11.17 Intercreditor Agreement. Notwithstanding anything to the contrary contained herein, each Lender acknowledges that the Lien and security interest granted to the Collateral Agent pursuant to the Security Documents and the exercise of any right or remedy by such Collateral Agent thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the Security Documents, the terms of the Intercreditor Agreement shall govern and control.

SECTION 11.18 Judgment Currency.

(a) Each Loan Party's obligations hereunder and under the other Loan Documents to make payments in Dollars (the "**Obligation Currency**") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or such Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "**Judgment Currency**") an amount due in the Obligation Currency, the conversion shall be made at the spot selling rate at which the Administrative Agent (or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) offers to sell such Judgment Currency for the Obligation Currency in the London foreign exchange market at approximately 11:00 a.m. London time on such date for delivery two (2) Business Days later (such date of determination of

such spot selling rate, being hereinafter referred to as the "**Judgment Currency Conversion Date**").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Borrower covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining any rate of exchange for this Section 11.18, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 11.19 [INTENTIONALLY OMITTED].

SECTION 11.20 [INTENTIONALLY OMITTED].

SECTION 11.21 Abstract Acknowledgment of Indebtedness and Joint Creditorship.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally agrees and covenants with the Collateral Agent by way of an abstract acknowledgment of indebtedness (*abstraktes Schuldversprechen*) that it owes to the Collateral Agent as creditor in its own right and not as a representative of the other Secured Parties, sums equal to, and in the currency of, each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents relating to any Secured Obligations, as and when that amount falls due for payment under the relevant Secured Debt Agreement or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve its entitlement to be paid that amount.

(b) Each Loan Party undertakes to pay to the Collateral Agent upon first written demand the amount payable by such Loan Party to each of the Secured Parties under each of the Secured Debt Agreements as such amount has become due and payable.

(c) The Collateral Agent has the independent right to demand and receive full or partial payment of the amounts payable by each Loan Party under this Section 11.21, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting such Loan Party, to preserve their entitlement to be paid those amounts.

(d) Any amount due and payable by a Loan Party to the Collateral Agent under this Section 11.21 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Secured Debt Agreements and any amount due and payable by a Loan Party to the other Secured

Parties under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.21; provided that no Loan Party may consider its obligations towards a Secured Party to be so discharged by virtue of any set-off, counterclaim or similar defense that it may invoke vis-à-vis the Collateral Agent.

(e) The rights of the Secured Parties (other than the Collateral Agent) to receive payment of amounts payable by each Loan Party under the Secured Debt Agreements are several and are separate and independent from, and without prejudice to, the rights of the Collateral Agent to receive payment under this Section 11.21.

(f) In addition, but without prejudice to the foregoing, the Collateral Agent shall be the joint creditor (together with the relevant Secured Parties) of all obligations of each Loan Party towards each of the Secured Parties under the Secured Debt Agreements.

SECTION 11.22 Special Appointment of Collateral Agent for German Security.

(a) (i) Each Lender that is or will become party to this Agreement hereby appoints the Collateral Agent as trustee (*Treuhaender*) and administrator for the purpose of holding on trust (*Treuhand*), administering, enforcing and releasing the German Security (as defined below) for the Secured Parties, (ii) the Collateral Agent accepts its appointment as a trustee and administrator of the German Security on the terms and subject to the conditions set out in this Agreement and (iii) the Lenders, the Collateral Agent and all other parties to this Agreement agree that, in relation to the German Security, no Lender shall exercise any independent power to enforce any German Security or take any other action in relation to the enforcement of the German Security, or make or receive any declarations in relation thereto.

(b) To the extent possible, the Collateral Agent shall hold and administer any German Security which is security assigned, transferred or pledged under German law to it as a trustee for the benefit of the Secured Parties, where "**German Security**" means the assets which are the subject of a security document which is governed by German law.

(c) Each Lender hereby authorizes and instructs the Collateral Agent (with the right of sub delegation) to enter into any documents evidencing German Security and to make and accept all declarations and take all actions as it considers necessary or useful in connection with any German Security on behalf of the Secured Parties. The Collateral Agent shall further be entitled to rescind, release, amend and/or execute new and different documents securing the German Security.

(d) The Lenders and the Collateral Agent agree that all rights and claims constituted by the abstract acknowledgment of indebtedness pursuant to this Section 11.22 and all proceeds held by the Collateral Agent pursuant to or in connection with such abstract acknowledgment of indebtedness are held by the Collateral Agent with effect from the date of such abstract acknowledgment of indebtedness in trust for the Secured Parties and will be administered in accordance with the Loan Documents. The Secured Parties and the Collateral Agent agree further that the respective Loan Party's obligations under such abstract acknowledgment of indebtedness shall not increase the total amount of the Secured Obligations (as defined in the

respective agreement governing German Security) and shall not result in any additional liability of any of the Loan Parties or otherwise prejudice the rights of any of the Loan Parties. Accordingly, payment of the obligations under such abstract acknowledgment of indebtedness shall, to the same extent, discharge the corresponding Secured Obligations and vice versa.

SECTION 11.23 Special Appointment of Administrative Agent in Relation to South Korea.

(a) Notwithstanding any other provision of this Agreement, each Loan Party hereby irrevocably and unconditionally undertakes to pay to the Administrative Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by such Loan Party to each of the Secured Parties under each of the Loan Documents as and when that amount falls due for payment under the relevant Loan Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve its entitlement to be paid that amount.

(b) The Administrative Agent shall have its own independent right to demand payment of the amounts payable by each Loan Party under this Section 11.23, irrespective of any discharge of such Loan Party's obligation to pay those amounts to the Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting that Loan Party, to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by a Loan Party to the Administrative Agent under this Section 11.23 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Loan Documents and any amount due and payable by a Loan Party to the other Secured Parties under those provisions shall be decreased to the extent that the Administrative Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 11.23.

(d) Subject to paragraph (c) above, the rights of the Secured Parties (in each case, other than the Administrative Agent) to receive payment of amounts payable by each Loan Party under the Loan Documents are several and are separate and independent from, and without prejudice to, the rights of the Administrative Agent to receive payment under this Section 11.23.

SECTION 11.24 Designation of Collateral Agent under Civil Code of Quebec. Each of the parties hereto (including each Lender, acting for itself and on behalf of each of its Affiliates which are or become Secured Parties from time to time) confirms the appointment and designation of the Collateral Agent (or any successor thereto) as the person holding the power of attorney (*fondé de pouvoir*) within the meaning of Article 2692 of the Civil Code of Québec for the purposes of the hypothecary security to be granted by the Loan Parties or any one of them under the laws of the Province of Québec and, in such capacity, the Collateral Agent shall hold the hypothecs granted under the laws of the Province of Québec as such *fondé de pouvoir* in the exercise of the rights conferred thereunder. The execution by the Collateral Agent in its capacity as *fondé de pouvoir* prior to the date hereof of any document creating or evidencing any such hypothecs is hereby ratified and confirmed. Notwithstanding the provisions of Section 32 of the

Act respecting the special powers of legal persons (Québec), the Collateral Agent may acquire and be the holder of any of the bonds secured by any such hypothec. Each future Secured Party, whether a Lender or any other holder of any Secured Obligation, shall be deemed to have ratified and confirmed (for itself and on behalf of each of its Affiliates that are or become Secured Parties from time to time) the appointment of the Collateral Agent as *fondé de pouvoir*.

SECTION 11.25 Maximum Liability. Subject to Section 7.08 and Sections 7.11 through 7.14, it is the desire and intent of (i) each Loan Party and the Lenders, that, in each case, the liability of such Loan Party shall be enforced against such Loan Party to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought after giving effect to the rights of contribution established in the Contribution, Intercompany, Contracting and Offset Agreement that are valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. If, however, and to the extent that, the obligations of any Loan Party under any Loan Document shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state, provincial or federal law relating to fraudulent conveyances or transfers), then the amount of such Loan Party's obligations (in the case of any invalidity or unenforceability with respect such Loan Party's obligations) under the Loan Documents shall be deemed to be reduced and such Loan Party shall pay the maximum amount of the Secured Obligations which would be permissible under applicable law; provided that any guarantees of any such obligations that are subject to deemed reduction pursuant to this Section 11.25 shall, to the fullest extent permitted by applicable Requirements of Law, be absolute and unconditional in respect of the full amount of such obligations without giving effect to any such deemed reduction.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NOVELIS INC., as Canadian Borrower

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Vice President and Treasurer

NOVELIS CORPORATION, as U.S. Borrower

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS PAE CORPORATION, as U.S. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS FINANCES USA LLC, as U.S. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS SOUTH AMERICA HOLDINGS LLC, as U.S. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Vice President and Treasurer

ALUMINUM UPSTREAM HOLDINGS LLC, as U.S. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Vice President and Treasurer

NOVELIS UK LTD, as U.K. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS AG, as Swiss Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS CAST HOUSE TECHNOLOGY LTD.,
as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

4260848 CANADA INC., as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

4260856 CANADA INC., as Canadian Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS NO. 1 LIMITED PARTNERSHIP, as
Canadian Guarantor,

By: 4260848 CANADA INC.
Its: General Partner

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS EUROPE HOLDINGS LIMITED, as U.K. Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS SWITZERLAND SA, as Swiss Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS TECHNOLOGY AG, as Swiss Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

AV ALUMINUM INC., as Guarantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS DEUTSCHLAND GMBH, as German Guarantor

By: /s/ Gottfried Weindl
Name: Gottfried Weindl
Title: Managing Director

NOVELIS DO BRASIL LTDA., as Brazilian Guarantor

By: /s/ Tadeu Nardocci
Name: Antonio Tadeu Coelho Nardocci
Title: Presidente

By: /s/ Alexandre Almeida
Name: Alexandre M. Almeida
Title: Diretor Financeiro

Present when the Common Seal of

NOVELIS ALUMINIUM HOLDING COMPANY,

As Irish Guarantor,

was hereunto affixed in the presence of:

Name: /s/ Andreas Thiele
Title: Duly appointed attorney

Name: /s/ Eva Paus-Werdermann
Title: Assistant to Legal Counsel

UBS AG, STAMFORD BRANCH, as
Administrative Agent and as Collateral Agent

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ David Julie
Name: David B. Julie
Title: Associate Director

UBS SECURITIES LLC, as Joint Lead Arranger
and Joint Bookmanager

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ David Julie
Name: David B. Julie
Title: Associate Director

UBS SECURITIES LLC, as Syndication Agent

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

ABN AMRO INCORPORATED, as Joint Lead
Arranger and Joint Bookmanager

By: /s/ David Wood
Name: David Wood
Title: Managing Director

ABN AMRO INCORPORATED, as
Documentation Agent

By: /s/ David Wood
Name: David Wood
Title: Managing Director

Annex I

Applicable Margin

Eurocurrency U.S. Term Loans and Eurocurrency Canadian Term Loans	ABR U.S. Term Loans and ABR Canadian Term Loans
2.00%	1.00%

Annex II

Amortization Table

Date	U.S. Term Loan Amount	Canadian Term Loan Amount
September 30, 2007	$1,650,000	$750,000
December 31, 2007	$1,650,000	$750,000
March 31, 2008	$1,650,000	$750,000
June 30, 2008	$1,650,000	$750,000
September 30, 2008	$1,650,000	$750,000
December 31, 2008	$1,650,000	$750,000
March 31, 2009	$1,650,000	$750,000
June 30, 2009	$1,650,000	$750,000
September 30, 2009	$1,650,000	$750,000
December 31, 2009	$1,650,000	$750,000
March 31, 2010	$1,650,000	$750,000
June 30, 2010	$1,650,000	$750,000
September 30, 2010	$1,650,000	$750,000
December 31, 2010	$1,650,000	$750,000
March 31, 2011	$1,650,000	$750,000
June 30, 2011	$1,650,000	$750,000
September 30, 2011	$1,650,000	$750,000
December 31, 2011	$1,650,000	$750,000
March 31, 2012	$1,650,000	$750,000

Date	U.S. Term Loan Amount	Canadian Term Loan Amount
June 30, 2012	$1,650,000	$750,000
September 30, 2012	$1,650,000	$750,000
December 31, 2012	$1,650,000	$750,000
March 31, 2013	$1,650,000	$750,000
June 30, 2013	$1,650,000	$750,000
September 30, 2013	$1,650,000	$750,000
December 31, 2013	$1,650,000	$750,000
March 31, 2014	$1,650,000	$750,000
June 30, 2014	$1,650,000	$750,000
Final Maturity Date	Remaining outstanding principal	Remaining outstanding principal

Annex III

Mandatory Cost Formula

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Administrative Agent as follows:

(a) in relation to a Loan in GBP:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum}$$

(b) in relation to a Loan in any currency other than GBP:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in Section 2.06(c)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Administrative Agent (or such other bank as may be designated by the Administrative Agent in consultation with Borrower) on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in GBP per £1 million.

5. For the purposes of this Schedule:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Facility Office**" means the office or offices notified by a Lender to the Administrative Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement;

(c) "**Fees Rules**" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(d) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate);

(e) "**Reference Banks**" means, in relation to each of the LIBOR Rate and Mandatory Cost, the principal office in Stamford, Connecticut of UBS AG, Stamford Branch, or such other bank or banks as may be designated by the Administrative Agent in consultation with Borrower;

(f) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules; and

(g) "**Unpaid Sum**" means any sum due and payable but unpaid by any Loan Party under the Loan Documents.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative

Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in GBP per £1 million of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Administrative Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Administrative Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

13. The Administrative Agent may from time to time, after consultation with Borrower and the Lenders, determine and notify to all parties to this Agreement any amendments which are required to be made to this Annex III in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

Exhibit 10.3

INTERCREDITOR AGREEMENT

Dated as of July 6, 2007

by and among

NOVELIS INC.,
NOVELIS CORPORATION,
NOVELIS PAE CORPORATION,
NOVELIS FINANCES USA LLC,
NOVELIS SOUTH AMERICA HOLDINGS LLC,
ALUMINUM UPSTREAM HOLDINGS LLC,
NOVELIS UK LTD,
NOVELIS AG,
AV ALUMINUM INC., and
the Subsidiary Guarantors party hereto,
as Grantors,

ABN AMRO BANK N.V.,
as Revolving Credit Administrative Agent

ABN AMRO BANK N.A., ACTING THROUGH ITS CANADIAN BRANCH,
as Revolving Credit Canadian Administrative Agent and
as Revolving Credit Canadian Funding Agent,

LA SALLE BUSINESS CREDIT, LLC,
as Revolving Credit Collateral Agent and
as Revolving Credit Funding Agent,

and
UBS AG, STAMFORD BRANCH,
as Term Loan Administrative Agent, and
Term Loan Collateral Agent

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<u>INTERCREDITOR AGREEMENT</u>

This **INTERCREDITOR AGREEMENT**, is dated as of July 6, 2007, and entered into by and among NOVELIS INC., a corporation formed under the Canada Business Corporations Act (the "**Canadian Borrower**"), NOVELIS CORPORATION, a Texas corporation ("**Novelis Corporation**"), NOVELIS PAE CORPORATION, a Delaware corporation ("**Novelis PAE**"), NOVELIS FINANCES USA LLC, a Delaware limited liability company ("**Novelis Finances**"), NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company ("**Novelis South**"), ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company ("**Aluminum Upstream**" and, together with Novelis Corporation, Novelis PAE, Novelis Finances and Novelis South, the "**U.S. Borrowers**"), NOVELIS UK LTD, a limited liability company incorporated under the laws of England and Wales with registered number 00279596 (the "**U.K. Borrower**"), and NOVELIS AG, a stock corporation (AG) organized under the laws of Switzerland (the "**Swiss Borrower**" and, together with the Canadian Borrower, the U.S. Borrowers, and the U.K. Borrower, the "**Borrowers**" and each, a "**Borrower**"), AV ALUMINUM INC., a corporation formed under the Canada Business Corporations Act ("**Holdings**"), the subsidiaries of Holdings from time to time party hereto (the "**Subsidiary Guarantors**" and, together with Holdings, the "**Guarantors**" and each, a "**Guarantor**"), ABN AMRO BANK N.V., as administrative agent (together with its successors in such capacity, "**Revolving Credit Administrative Agent**") for the Revolving Credit Lenders (such term and each other capitalized term used herein having the meanings assigned to them in <u>Section 1</u> below), LA SALLE BUSINESS CREDIT, LLC, as collateral agent (together with its successors in such capacity, "**Revolving Credit Collateral Agent**") for the Revolving Credit Claimholders and as funding agent (together with its successors in such capacity, "**Revolving Credit Funding Agent**"), ABN AMRO BANK N.V., ACTING THROUGH ITS CANADIAN BRANCH, as Canadian administrative agent (together with its successors in such capacity, "**Revolving Credit Canadian Administrative Agent**") for the Revolving Credit Lenders and as Canadian funding agent (together with its successors in such capacity, "**Revolving Credit Canadian Funding Agent**" and, together with the Revolving Credit Administrative Agent, the Revolving Credit Funding Agent and the Revolving Credit Collateral Agent, the "**Revolving Credit Agents**", and UBS AG, STAMFORD BRANCH, as administrative agent (together with its successors in such capacity, "**Term Loan Administrative Agent**") for the Term Loan Lenders, and as collateral agent (together with its successors in such capacity, "**Term Loan Collateral Agent**" and, together with the Term Loan Administrative Agent, the "**Term Loan Agents**") for the Term Loan Claimholders. As described in more detail in <u>Section 8.10</u> hereof, this Agreement is intended to be binding on all Claimholders and Agents.

<u>RECITALS</u>

The Borrowers, the Guarantors, the banks, financial institutions and other entities party thereto as lenders, the Revolving Credit Agents and the other parties thereto, have entered into that certain Credit Agreement, dated as of the date hereof, providing for certain senior secured revolving credit facilities (as Modified or Refinanced from time to time, the "**Revolving Credit Agreement**");

The Canadian Borrower, Novelis Corporation, the Guarantors, the banks, financial institutions and other entities party thereto as lenders, the Term Loan Agents and the

other parties thereto,have entered into that certain Credit Agreement, dated as of the date hereof, providing for certain senior secured term loan facilities (as Modified or Refinanced from time to time, the "**Term Loan Agreement**");

The obligations of the Grantors to (i) the Revolving Credit Agents and the other Revolving Credit Claimholders and (ii) the Term Loan Agents and the other Term Loan Claimholders are each secured by Liens on certain of the assets of the Grantors; and

As a condition to the closing of each of the Financing Transactions, (i) the Revolving Credit Agents, on behalf of the Revolving Credit Claimholders and (ii) the Term Loan Agents, on behalf of the Term Loan Claimholders, have agreed to the relative priority of the respective Liens of the Revolving Credit Claimholders and the Term Loan Claimholders on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS.

1.1 Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

"**Access Period**" means for each parcel of Mortgaged Premises the period, after the commencement of an Enforcement Period, which begins on the day that any Revolving Credit Agent provides the Term Loan Agents with the notice of its election to request access pursuant to Section 3.3(b) below and ends on the earlier of (i) the 180th day after any Revolving Credit Agent obtains the ability to use, take physical possession of, remove or otherwise control the use or access to the Revolving Credit Priority Collateral located on such Mortgaged Premises following Enforcement plus such number of days, if any, after any Revolving Credit Agent obtains access to such Revolving Credit Priority Collateral that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Revolving Credit Priority Collateral located on such Mortgaged Premises or (ii) the date on which all or substantially all of the Revolving Credit Priority Collateral located on such Mortgaged Premises is sold, collected or liquidated or (iii) the date on which the Discharge of Revolving Credit Obligations has occurred.

"**Accounts**" means all now present and future "accounts" and "payment intangibles" (in each case, as defined in Article 9 of the UCC).

"**Account Agreements**" means any lockbox account agreement, pledged account agreement, blocked account agreement, deposit account control agreement, securities account control agreement, or any similar deposit or securities account agreements among any Revolving Credit Agents and/or any Term Loan Agents and any Borrowers and/or Guarantors and the relevant financial institution depository or securities intermediary.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agents**" means the Revolving Credit Agents and the Term Loan Agents.

"**Agreement**" means this Intercreditor Agreement, as Modified from time to time.

"**Aluminum Upstream**" has the meaning assigned to that term in the preamble to this Agreement.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Bankruptcy Law**" means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors or relating to insolvency, reorganization or receivership, including the Bankruptcy and Insolvency Act (Canada) and the Companies' Creditors Arrangement Act (Canada).

"**Board of Directors**" means, with respect to any Person, (i) in the case of any corporation, the board of directors of such Person, (ii) in the case of any limited liability company, the board of managers of such Person, (iii) in the case of any partnership, the Board of Directors of the general partner of such Person and (iv) in any other case, the functional equivalent of the foregoing.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City or Toronto, Ontario, are authorized or required by law to close.

"**Canadian Borrower**" has the meaning assigned to that term in the preamble to this Agreement.

"**Chattel Paper**" means all present and future "chattel paper" (as defined in Article 9 of the UCC).

"**Claimholders**" means the Revolving Credit Claimholders and the Term Loan Claimholders.

"**Collateral**" means all of the assets and property of any Grantor, whether real, personal or mixed, constituting Revolving Credit Priority Collateral or Term Loan Priority Collateral.

"**Closing Date**" means July 6, 2007.

"**Comparable Revolving Credit Security Document**" means, in relation to any Collateral subject to any Term Loan Security Document, the Revolving Credit Security Document that creates a Lien in the same Collateral, granted by the same Grantors, as applicable.

"**Comparable Term Loan Security Document**" means, in relation to any Collateral subject to any Revolving Credit Security Document, the Term Loan Security Document that creates a Lien in the same Collateral, granted by the same Grantors, as applicable.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the term "**Controlled**" shall have a meaning correlative thereto.

"**Copyrights**" means, collectively, all copyrights (whether statutory or common law, whether established, registered or recorded in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all mask works (as such term is defined in 17 U.S.C. Section 901, et seq.), together with any and all (i) copyright registrations and applications, (ii) rights and privileges arising under applicable law with respect to such copyrights, (iii) renewals and extensions thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"**Deposit Accounts**" means, collectively, (i) all "deposit accounts" (as defined in Article 9 of the UCC) and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time held in or on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"**DIP Financing**" has the meaning assigned to that term in Section 6.1.

"**Discharge of Revolving Credit Obligations**" means, except to the extent otherwise expressly provided in Section 5.5:

(1) termination or expiration of all commitments, if any, to extend credit that would constitute Revolving Credit Obligations (including any Refinancings of any thereof);

(2) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such Insolvency or Liquidation Proceeding), on all Indebtedness outstanding under the Revolving Credit Loan Documents and constituting Revolving Credit Obligations (including any Refinancings of any thereof to the extent such Refinancings thereof constitute Revolving Credit Obligations);

(3) termination or cash collateralization (in an amount and manner reasonably satisfactory to the Revolving Credit Agents, but in no event greater than 105% of the aggregate undrawn face amount) of, or receipt by the Revolving Credit Agents of supporting letters of credit reasonably satisfactory to the Revolving Credit Agents with respect to, all letters of credit issued or otherwise outstanding under the Revolving Credit Loan Documents and constituting Revolving Credit Obligations; and

(4) payment in full in cash of all other Revolving Credit Obligations that are outstanding and unpaid at the time the Indebtedness constituting such Revolving Credit Obligations is paid in full in cash (other than any obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at such time).

If a Discharge of Revolving Credit Obligations occurs prior to the termination of this Agreement in accordance with Section 8.2, to the extent that additional Revolving Credit Obligations are incurred or Revolving Credit Obligations are reinstated in accordance with Section 6.4, the Discharge of Revolving Credit Obligations shall (effective upon the incurrence of such additional Revolving Credit Obligations or reinstatement of such Revolving Credit Obligations, as applicable) be deemed to no longer be effective.

"**Discharge of Term Loan Obligations**" means, except to the extent otherwise expressly provided in Section 5.5:

(1) termination or expiration of all commitments to extend credit that would constitute Term Loan Obligations (including any Refinancings of any thereof);

(2) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such Insolvency or Liquidation Proceeding), on all Indebtedness outstanding under the Term Loan Documents and constituting Term Loan Obligations (including any Refinancings of any thereof to the extent such Refinancings thereof constitute Term Loan Obligations);

(3) termination or cash collateralization (in an amount and manner reasonably satisfactory to the Term Loan Agents, but in no event greater than 105% of the aggregate undrawn face amount) of, or receipt by the Term Loan Agents of supporting letters of credit reasonably satisfactory to the Term Loan Agents with respect to, all letters of credit issued or otherwise outstanding under the Term Loan Documents and constituting Term Loan Obligations (if any); and

(4) payment in full in cash of all other Term Loan Obligations that are outstanding and unpaid at the time the Indebtedness constituting such Term Loan Obligations is paid in full in cash (other than any obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at such time).

If a Discharge of Term Loan Obligations occurs prior to the termination of this Agreement in accordance with Section 8.2, to the extent that additional Term Loan Obligations are incurred or Term Loan Obligations are reinstated in accordance with Section 6.4, the Discharge of Term Loan Obligations shall (effective upon the incurrence of such additional Term Loan Obligations or reinstatement of such Term Loan Obligations, as applicable) be deemed to no longer be effective.

"**Disposition**" has the meaning assigned to that term in Section 5.1(b).

"**Enforcement**" means, collectively or individually for any of the Revolving Credit Agents or any of the Term Loan Agents when a Revolving Credit Default or a Term Loan Default, as the case may be, has occurred and is continuing, any action taken by any such Persons to repossess, or exercise any remedies with respect to, any material amount of Collateral or commence the judicial enforcement of any of the rights and remedies under the Revolving Credit Loan Documents or the Term Loan Documents or under any applicable law, but in all cases excluding (i) the demand of the repayment of all the principal amount of any of the Obligations, (ii) the imposition of a default rate or late fee and (iii) the collection and application of, or the delivery of any activation notice with respect to, Accounts or other monies deposited from time to time in Deposit Accounts or Securities Accounts (in each case, other than Net Cash Proceeds Accounts) against the Revolving Credit Obligations pursuant to the Revolving Credit Loan Documents; provided, however, the foregoing exclusion set forth in clause (iii) shall immediately cease to apply upon the earlier of (x) any Revolving Credit Agent's delivery of written notice to the Term Loan Agents that such exclusion no longer applies, (y) the lapse of 10 consecutive Business Days after a Revolving Credit Default in which no "Revolving Loans" are made and no "Letters of Credit" are issued (in each case, as defined in the Revolving Credit Agreement), and (z) the termination of the Revolving Commitments pursuant to Section 8.01 (or any other applicable provision) of the Revolving Credit Agreement.

"**Enforcement Notice**" means a written notice delivered, at a time when a Revolving Credit Default or Term Loan Default has occurred and is continuing, by either (i) any Revolving Credit Agent to any Term Loan Agent or (ii) any Term Loan Agent to any Revolving Credit Agent announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the Revolving Credit Obligations (in the case of a notice sent by a Revolving Credit Agent) or the current balance of the Term Loan Obligations (in the case of a notice sent by a Term Loan Agent), as applicable, and requesting the current balance owing of the Revolving Credit Obligations (in the case of a notice sent by a Term Loan Agent) or the Term Loan Obligations (in the case of a notice sent by a Revolving Credit Agent), as applicable.

"**Enforcement Period**" means the period of time following the receipt by either (i) any Revolving Credit Agent of an Enforcement Notice from any Term Loan Agent or (ii) any Term Loan Agent of an Enforcement Notice from any Revolving Credit Agent until either (a) in the case of an Enforcement Period commenced by any Term Loan Agent, the Discharge of Term Loan Obligations, (b) in the case of an Enforcement Period commenced by Revolving Credit Agent, the Discharge of Revolving Credit Obligations or (c) the applicable Revolving Credit Agents and the applicable Term Loan Agents agree in writing to terminate the Enforcement Period.

"**Equipment**" means: (i) all "equipment" (as defined in Article 9 of the UCC), (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, "fixtures" (as defined in Article 9 of the UCC) and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

“**Equity Interests**” means, with respect to any Person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued thereafter, but excluding debt securities convertible or exchangeable into such equity.

“**5-25 Limitation**” means the requirement in the Term Loan Agreement that no more than 25% of the original amount of any loan made to the Canadian Borrower under the Term Loan Agreement be subject to scheduled amortization payments to the Term Loan Lenders or certain types of mandatory prepayments to the Term Loan Lenders during the first five years after such loans are advanced.

“**Financing Transactions**” means the execution, delivery and initial funding under the Revolving Credit Agreement and the Term Loan Agreement.

“**General Intangibles**” means all present and future “general intangibles” (as defined in Article 9 of the UCC), but excluding “payment intangibles” (as defined in Article 9 of the UCC), Hedging Agreements and Intellectual Property and any rights thereunder.

“**German Assignment Agreements**” means the Transfer of Title to Moveable Assets by Novelis Deutschland Gmbh to the Term Loan Collateral Agent and the Security Transfer and Assignment Agreement relating to Intellectual Property Rights by Novelis Deutschland Gmbh to the Term Loan Collateral Agent.

“**German Receivables Assignments”** means the Assignment of Receivables by Novelis AG to the Revolving Credit Collateral Agent and the Global Assignment of Receivables and Insurance Claims by Novelis Deutschland Gmbh to the Revolving Credit Collateral Agent.

“**German Guarantors**” shall mean each Subsidiary of Holdings organized in Germany party to the Revolving Credit Loan Documents and the Term Loan Documents as a Guarantor, and each other Subsidiary of Holdings organized in Germany that is required to become a Guarantor pursuant to the terms to the Revolving Credit Loan Documents and the Term Loan Documents.

“**Governmental Authority**” means the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Grantors**” means each Borrower, each Guarantor and each other Person that has or may from time to time hereafter execute and deliver a Revolving Credit Security Document or a Term Loan Security Document as a “Grantor” or a “Pledgor” (or the equivalent thereof).

"**Guarantor**" has the meaning assigned to that term in the preamble to this Agreement.

"**Hedging Agreements**" means any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies entered into for the purposes of hedging exposure to interest or exchange rates, loan credit exchanges, security or currency valuations or commodity prices, in each case, not for speculative purposes.

"**Hedging Obligations**" means obligations under or with respect to Hedging Agreements.

"**Holdings**" has the meaning assigned to that term in the preamble to this Agreement.

"**Indebtedness**" means and includes all Obligations that constitute "Indebtedness" within the meaning of the Revolving Credit Agreement or the Term Loan Agreement, as applicable.

"**Insolvency or Liquidation Proceeding**" means:

(1) any voluntary or involuntary case or proceeding under Bankruptcy Law with respect to any Grantor;

(2) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of any Grantor's respective assets;

(3) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy;

(4) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor;

(5) any analogous step or procedure under any jurisdiction.

provided that for purposes of Section 3.3 and Section 6 of this Agreement, items described in clauses (1) through (5) above shall constitute an Insolvency or Liquidation Proceeding only if such item constitutes (or would constitute but for the effect of any bankruptcy or insolvency law) a Revolving Credit Default or Term Loan Default (or an event that with notice or passage of time would constitute a Revolving Credit Default or Term Loan Default).

"**Instruments**" means all present and future "instruments" (as defined in Article 9 of the UCC).

"**Intellectual Property**" means, collectively, Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights.

"**Intellectual Property Licenses**" means, collectively, with respect to each Grantor, all license agreements, distribution agreements and covenants not to sue (regardless of whether such agreements and covenants are contained within an agreement that also covers other matters, such as development or consulting) with respect to any Patent, Trademark, Copyright or Trade Secrets and Other Proprietary Rights, whether such Grantor is a licensor or licensee, distributor or distributee under any such agreement, together with any and all (i) amendments, renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements, breaches or violations thereof and (iv) other rights to use, exploit or practice any or all Patents, Trademarks, Copyrights or Trade Secrets and Other Proprietary Rights.

"**Intercompany Notes of Subsidiaries**" means all indebtedness owing by any of the Subsidiaries of Holdings to any Grantor, whether or not represented by a note or agreement.

"**Intercreditor Agreement Joinder**" means an agreement substantially in the form of Exhibit A attached hereto.

"**Inventory**" mean all present and future "inventory" (as defined in Article 9 of the UCC), and in any event, including all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor's business; the purchaser's interest in any goods being manufactured pursuant to any contract or other arrangement with a supplier, all goods in transit from suppliers (whether or not evidenced by a document of title); all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

"**Italian Pledge Agreement**" means that certain Pledge Agreement Over Shares to be entered into among Novelis Europe Holdings Limited, UBS AG, Stamford Branch and the custodian party thereto relating to the shares of Novelis Italian Spa.

"Korea Share Pledge Agreement" means the Share Kun-Pledge Agreement, dated as of July 6, 2007, among 4260848 Canada Inc., 4260856 Canada Inc., UBS AG, Stamford Branch and LaSalle Business Credit, LLC.

"**Letter of Credit**" means any present and future "letter of credit" (as defined in Article 5 of the UCC).

"**Letter of Credit Rights**" means any "letter-of-credit right" (as defined in Article 9 of the UCC).

"**Lien**" means (a) any mortgage, deed of trust, lien, pledge, encumbrance, claim, charge, assignment, hypothecation, security interest or encumbrance of any kind or any

arrangement to provide priority or preference or any filing of any financing statement or any financing change statement under the UCC or any other similar notice of lien under any similar notice or recording statute of any Governmental Authority, including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and any agreement to give any of the foregoing; (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property; and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Modifications**" means any amendments, restatements, amendment and restatements, supplements, modifications, waivers, consents, renewals, replacements, consolidations, severances, substitutions and extensions of any document or instrument from time to time. "**Modify**" and "**Modified**" shall have meanings correlative thereto.

"**Mortgaged Premises**" means any real property which shall now or hereafter be subject to a Term Loan Mortgage.

"**Net Cash Proceeds Accounts**" means any segregated Deposit Accounts or Securities Accounts established by any Borrower or any other Grantor in accordance with the requirements of the Term Loan Agreement and which (1) solely contain proceeds of Term Loan Priority Collateral (and any products of such proceeds), and which have been designated in writing to the Revolving Credit Agents as such on or prior to the time that the proceeds from any sale of Term Loan Priority Collateral shall be deposited therein, pending final application of such proceeds (and any products of such proceeds) or (2) contain amounts that would have been required to be applied to be to the repayment of term loans made to the Canadian Borrower under the Term Loan Agreement but for the 5-25 Limitation, and interest thereon, in each case, in accordance with the terms of the Term Loan Agreement.

"**New Agent**" has the meaning assigned to that term in Section 5.5.

"**New Debt Notice**" has the meaning assigned to that term in Section 5.5.

"**New York UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in the State of New York.

"**Novelis Corporation**" has the meaning assigned to that term in the preamble to this Agreement.

"**Novelis Finances**" has the meaning assigned to that term in the preamble to this Agreement.

"**Novelis PAE**" has the meaning assigned to that term in the preamble to this Agreement.

"**Novelis South**" has the meaning assigned to that term in the preamble to this Agreement.

“**Obligations**” means all Revolving Credit Obligations and Term Loan Obligations.

“**Patents**” means, collectively, all patents, patent applications, certificates of inventions, industrial designs and rights corresponding thereto throughout the world (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to any of the foregoing, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements or other violations thereof.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Pledged Collateral**” has the meaning assigned to that term in Section 5.4(a).

“**Post-Petition Interest**” means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency or Liquidation Proceeding (or would accrue but for the commencement of an Insolvency or Liquidation Proceeding), whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding.

“**Real Estate Asset**” means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Grantor in any Real Property.

“**Real Property**” means, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

“**Receivables Purchase Agreement**” shall mean the receivables purchase agreement and any related servicing agreements between Novelis Deutschland GmbH, as seller and collection agent, on the one hand, and Novelis AG, as purchaser, on the other hand, providing, *inter alia*, for the sale and transfer of Accounts by Novelis Deutschland GmbH to Novelis AG.

“**Records**” means all present and future “records” (as defined in Article 9 of the UCC).

“**Recovery**” has the meaning assigned to that term in Section 6.4.

“**Refinance**” means, in respect of any Indebtedness, to refinance, defease, repay, restructure, refund or to issue other indebtedness, in exchange or replacement for, such

Indebtedness in whole or in part. “**Refinanced**” and “**Refinancing**” shall have meanings correlative thereto.

“**Revolving Commitments**” means the “Commitments” (as such term is defined in the Revolving Credit Agreement).

“**Revolving Credit Administrative Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit Agreement**” has the meaning assigned to that term in the recitals to this Agreement.

“**Revolving Credit Canadian Administrative Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit Canadian Funding Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit Claimholders**” means, at any relevant time, the holders of Revolving Credit Obligations at that time, including the Revolving Credit Lenders and the agents under the Revolving Credit Loan Documents and Revolving Credit Qualified Counterparties and any receiver under the Revolving Credit Loan Documents.

“**Revolving Credit Collateral Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit Default**” means an “Event of Default” (as defined in the Revolving Credit Agreement).

“**Revolving Credit Funding Agent”** has the meaning assigned to that term in the preamble to this Agreement.

“**Revolving Credit General Intangibles**” means all General Intangibles arising out of the other items of property included within clauses (a), (b), (c), (e) and (f) of the definition of Revolving Credit Priority Collateral, including all contingent rights with respect to warranties on Inventory or Accounts which are not yet “payment intangibles” (as defined in Article 9 of the UCC).

“**Revolving Credit Lenders**” means the banks, financial institutions and other entities from time to time party to the Revolving Credit Agreement as lenders.

“**Revolving Credit Loan Documents**” means the Revolving Credit Agreement, the Revolving Credit Security Documents and the other “Loan Documents” (as defined in the Revolving Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Revolving Credit Obligation, and any other document or

instrument executed or delivered at any time in connection with any Revolving Credit Obligations, including any intercreditor or joinder agreement among holders of Revolving Credit Obligations, to the extent such are effective at the relevant time, as each may be Modified or Refinanced from time to time in whole or in part (whether with the Revolving Credit Agents and Revolving Credit Lenders or other agents and lenders or otherwise), in each case in accordance with the provisions of this Agreement.

"**Revolving Credit Obligations**" means (a) all obligations of the Borrowers and the other Grantors from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing (and interest that would have accrued but for such proceeding) during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding) on the loans under the Revolving Credit Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrowers and the other Grantors under the Revolving Credit Loan Documents in respect of any letter of credit, when and as due, including payments in respect of reimbursement obligations with respect to drawings under letters of credit, interest thereon and obligations to provide cash collateral with respect to letters of credit issued under the Revolving Credit Loan Documents and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrowers and the other Grantors under the Revolving Credit Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrowers and the other Grantors under or pursuant to the Revolving Credit Loan Documents and (c) the due and punctual payment and performance of all obligations of the Borrowers and the other Grantors (including overdrafts and related liabilities) under each Treasury Services Agreement entered into by any Grantor with any counterparty that is a Qualified Revolving Credit Counterparty. "Revolving Credit Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Revolving Credit Loan Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Revolving Credit Priority Collateral**" means all now owned or hereafter acquired: (a) Accounts, other than "payment intangibles" (as defined in Article 9 of the UCC) which constitute identifiable proceeds of Term Loan Priority Collateral, (b) all Inventory or documents of title for any Inventory; (c) Deposit Accounts (other than any Deposit Accounts that are Net Cash Proceeds Accounts), Securities Accounts (other than any Securities Accounts that are Net Cash Proceeds Accounts), Instruments (solely to the extent constituting or evidencing obligations owing on Accounts and excluding Intercompany Notes of Subsidiaries) and Chattel Paper (solely to the extent constituting or evidencing obligations owing on Accounts); provided, however, that to the extent Instruments or Chattel Paper that constitute identifiable proceeds of Term Loan Priority Collateral are deposited or held in any such Bank Accounts or Securities Accounts after an Enforcement Notice, then (as provided in Section 3.5 below) such Instruments, Chattel Paper or other identifiable proceeds shall be treated as Term Loan Priority Collateral, as

the case may be; (d) Revolving Credit General Intangibles; (e) right, title and interest in and to the Receivables Purchase Agreement; (f) any credit insurance policy maintained with respect to Accounts of any Loan Party; (g) Records, Letters of Credit, Letter of Credit Rights, "supporting obligations" (as defined in Article 9 of the UCC), commercial tort claims or other claims and causes of action, in each case, to the extent related primarily to any of the foregoing; and (h) substitutions, replacements, accessions, products and proceeds (including insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of any or all of the foregoing.

"**Revolving Credit Qualified Counterparty**" means a Person that (i) is party to a Treasury Services Agreement with a Grantor and (ii) at the time such Treasury Services Agreement was entered into, was a lender under the Revolving Credit Agreement or a Revolving Credit Agent or an arranger under the Revolving Credit Agreement or an Affiliate of any such lender, Revolving Credit Agent or arranger.

"**Revolving Credit Security Documents**" means the "Security Documents" (as defined in the Revolving Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Revolving Credit Obligations or under which rights or remedies with respect to such Liens are governed.

"**Revolving Credit Standstill Period**" has the meaning assigned to that term in Section 3.2(a)(1).

"**Securities Accounts**" means all present and future "securities accounts" (as defined in Article 8 of the UCC), including all cash, funds, "uncertificated securities" and "securities entitlements" (in each case, as defined in Article 8 of the UCC) from time to time held therein or on deposit therein.

"**Stock of Subsidiaries**" means all Equity Interests in Subsidiaries of Holdings.

"**Subsidiary**" means, with respect to any Person (the "**parent**") at any date, (i) any Person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iv) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise "Subsidiary" refers to a Subsidiary of Holdings. Notwithstanding the foregoing, Logan Aluminum Inc. shall not be treated as a Subsidiary hereunder unless it qualifies as a Subsidiary under clause (ii) of this definition.

“**Subsidiary Guarantors**” has the meaning assigned to that term in the preamble of this Agreement.

“**Subsidiary Stock**” means all present and future equity securities of Subsidiaries of Holdings.

“**Swiss Borrower**” has the meaning assigned to that term in the preamble to this Agreement.

“**Swiss Security Agreement**” means the Agreement between Novelis AG and the Revolving Credit Collateral Agent relating to trade receivables, intercompany receivables and bank accounts, the Agreement between Novelis Switzerland SA and the Revolving Credit Collateral Agent relating to trade receivables, intercompany receivables and bank accounts and the Agreement between Novelis Technology AG. and the Revolving Credit Collateral Agent relating to trade receivables, intercompany receivables and bank accounts.

“**Swiss Stock and IP Security Agreement**” means the Share Pledge Agreement between Novelis Europe Holdings Limited and the Term Loan Collateral Agent relating to the shares of Novelis AG, the Share Pledge Agreement between Novelis AG and the Term Loan Collateral Agent relating to the shares of Novelis Switzerland SA, the Share Pledge Agreement between Novelis AG and the Term Loan Collateral Agent relating to the shares of Novelis Technology AG and the Intellectual Property Pledge Agreement between Novelis Switzerland SA and the Term Loan Collateral Agent.

“**Term Loan Administrative Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Term Loan Agents**” has the meaning assigned to that term in the preamble to this Agreement.

“**Term Loan Agreement**” has the meaning assigned to that term in the recitals to this Agreement.

“**Term Loan Claimholder**” means, at any relevant time, the holders of any Term Loan Obligations at that time, including the Term Loan Lenders and the agents under the Term Loan Documents and any Term Loan Qualified Counterparty and any receiver under the Term Loan Documents.

“**Term Loan Collateral Agent**” has the meaning assigned to that term in the preamble to this Agreement.

“**Term Loan Default**” means an “Event of Default” (as defined in any of the Term Loan Documents), which is no longer subject to any applicable cure or notice period.

“**Term Loan Documents**” means the Term Loan Agreement, the Term Loan Mortgages and the other “Loan Documents” (as defined in the Term Loan Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Term Loan Obligation, and any other document or instrument executed or delivered at any time in

connection with any Term Loan Obligations, including any intercreditor or joinder agreement among holders of Term Loan Obligations to the extent such are effective at the relevant time, as each may be Modified or Refinanced from time to time in whole or in part (whether with the Term Loan Agents and Term Loan Lenders or other agents and lenders or otherwise), in each case in accordance with the provisions of this Agreement.

"**Term Loan General Intangibles**" means all General Intangibles which are not Revolving Credit General Intangibles.

"**Term Loan Lenders**" means the banks, financial institutions and other entities from time to time party to the Term Loan Agreement as lenders.

"**Term Loan Lien**" means a Lien granted by a security document to the Term Loan Agent, at any time, upon any property of any Borrower, Holdings or any other Guarantor to secure Term Loan Obligations.

"**Term Loan Mortgages**" means a collective reference to each mortgage, deed of trust and other document or instrument under which any Lien on Real Property owned or leased by any Grantor is granted to secure any Term Loan Obligations or (except for this Agreement) under which rights or remedies with respect to any such Liens are governed.

"**Term Loan Obligations**" means, (a) all obligations of the Canadian Borrower, the U.S. Borrower and the other Grantors from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing (and interest that would have accrued but for such proceeding) during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding) on the loans under the Term Loan Credit Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Canadian Borrower, the U.S. Borrower and the other Grantors under the Term Loan Credit Agreement in respect of any letter of credit, when and as due, including payments in respect of reimbursement obligations with respect to drawings under letter of credit, interest thereon and obligations to provide cash collateral with respect to letters of credit issued under the Term Loan Documents and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such proceeding), of the Canadian Borrower, the U.S. Borrower and the other Grantors under the Term Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Canadian Borrower, the U.S. Borrower and the other Grantors under or pursuant to the Term Loan Documents and (c) the due and punctual payment and performance of all obligations the Grantors under each Hedging Agreement entered into by any Grantor with any counterparty that is a Term Loan Qualified Counterparty. "Term Loan Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Term Loan Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Term Loan Priority Collateral**" means all now owned or hereafter acquired Collateral other than the Revolving Credit Priority Collateral, including all: (a) Equipment; (b) Real Estate Assets; (c) Intellectual Property; (d) Term Loan General Intangibles; (e) documents of title related to Equipment; (f) Records, "supporting obligations" (as defined in Article 9 of the UCC), commercial tort claims or other claims and causes of action, in each case, to the extent related primarily to the foregoing; (g) Stock of Subsidiaries and Intercompany Notes of Subsidiaries; (h) Net Cash Proceeds Accounts; and (i) substitutions, replacements, accessions, products and proceeds (including insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of any or all of the foregoing.

"**Term Loan Qualified Counterparty**" means a Person that (i) is party to a Hedging Agreement with a Grantor and (ii) at the time such Hedging Agreement was entered into or as of the Closing Date in the case of Hedging Agreements entered into prior to the Closing Date which remain in effect on the Closing Date, was a lender under the Term Loan Credit Agreement or the Revolving Credit Agreement or a Term Loan Agent or an arranger under the Term Loan Credit Agreement, or an Affiliate of any such lender, Term Loan Agent or arranger.

"**Term Loan Security Documents**" means the "Security Documents" as defined in the Term Loan Agreement and any other agreement, document or instrument pursuant to which a Lien is granted securing any Term Loan Obligations or under which rights or remedies with respect to such Liens are governed.

"**Term Loan Standstill Period**" has the meaning assigned to that term in Section 3.1(a)(1).

"**Trademarks**" means, collectively, all trademarks (including service marks and certification marks), slogans, logos, certification marks, trade dress, internet domain names, corporate names and trade names, whether registered or unregistered (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), together with any and all (i) registrations and applications for any of the foregoing, (ii) goodwill connected with the use thereof and symbolized thereby, (iii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iv) reissues, continuations, extensions and renewals thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements, dilutions or other violations thereof.

"**Trade Secrets and Other Proprietary Rights**" means, collectively, all trade secrets, proprietary information and data and databases, know-how and processes, designs, inventions, technology and software and any other intangible rights to the extent not covered by the definitions of Patents, Trademarks and Copyrights; whether registered or unregistered, whether statutory or common law, and whether established or registered in the United States or any other country or any political subdivision thereof, together with any and all (i) registrations and applications for the foregoing, (ii) rights and privileges arising under applicable law with

respect to the use of any of the foregoing, (iii) reissues, continuations, extensions, renewals and divisions thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements and other violations thereof.

"**Treasury Services Agreement**" shall mean any agreement relating to treasury, depositary and cash management services or automated clearinghouse transfer of funds of any Grantor.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in the State of New York or when the context implies, the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in any other applicable jurisdiction.

"**U.K. Borrower**" has the meaning assigned to that term in the preamble to this Agreement.

"**U.S. Borrowers**" has the meaning assigned to that term in the preamble to this Agreement.

1.2 Terms Generally. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as Modified from time to time;

(b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns;

(c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement;

(e) all references to terms defined in the New York UCC shall have the meaning ascribed to them therein (unless otherwise specifically defined herein); and

(f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

II. LIEN PRIORITIES.

2.1 Relative Priorities. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Term Loan Obligations granted on the Collateral or of any Liens securing the Revolving Credit Obligations granted on the Collateral and notwithstanding any provision of any UCC, or any other applicable law or the Revolving Credit Loan Documents or the Term Loan Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the Revolving Credit Obligations or Term Loan Obligations or any other circumstance whatsoever, each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders hereby agrees that:

(a) any Liens on the Revolving Credit Priority Collateral securing any Revolving Credit Obligations, whether now or hereafter held by or on behalf of any Revolving Credit Agent or any other Revolving Credit Claimholder or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in right, priority, operation, effect and all other respects to any Liens on the Revolving Credit Priority Collateral securing any Term Loan Obligations; and

(b) any Liens on the Term Loan Priority Collateral securing any Term Loan Obligations, whether now or hereafter held by or on behalf of any Term Loan Agent, any other Term Loan Claimholder or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in right, priority, operation, effect and all other respects to any Liens on the Term Loan Priority Collateral which may secure any Revolving Credit Obligations.

2.2 Prohibition on Contesting Liens. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the Revolving Credit Claimholders or any of the Term Loan Claimholders in all or any part of the Collateral, as the case may be, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any Revolving Credit Agent or any other Revolving Credit Claimholder, or any Term Loan Agent or any other Term Loan Claimholder to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.1, 3.1 and 3.2.

2.3 No New Liens. So long as the Discharge of Revolving Credit Obligations and the Discharge of Term Loan Obligations have not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders,

and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, and each Grantor, agrees that each Grantor shall not, and shall not permit any other Grantor to:

(a) grant or permit any additional Liens on any asset or property to secure any Term Loan Obligation unless it has granted or concurrently grants a Lien on such asset or property to secure the Revolving Credit Obligations; or

(b) grant or permit any additional Liens on any asset or property to secure any Revolving Credit Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the Term Loan Obligations.

To the extent any additional Liens are granted on any asset or property in accordance with this Section 2.3, the priority of such additional Liens shall be determined in accordance with Section 2.1. In addition, to the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available hereunder, each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that the Collateral securing the Revolving Credit Obligations and the Term Loan Obligations be identical. In furtherance of the foregoing and of Section 8.8, the parties hereto agree, subject to the other provisions of this Agreement (including Section 5.3):

(a) upon request by any Revolving Credit Agent or Term Loan Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the Revolving Credit Loan Documents and the Term Loan Documents; and

(b) that the documents and agreements creating or evidencing the Collateral for the Revolving Credit Obligations and the Term Loan Obligations shall (subject to any deviations therefrom as may be agreed to by both the Revolving Credit Agents and the Term Loan Agents in their sole discretion) be in all material respects the same forms of documents other than with respect to the nature of the Obligations secured thereunder and, to the extent relevant, the priority of the Liens granted thereunder.

2.5 German Real Estate. Any amounts realized by the Term Loan Claimholders or Revolving Credit Claimholders with respect to, or allocable to, real property interests (including fixtures and equipment attached thereto) of any German Guarantor following an Enforcement or during an Enforcement Period, shall, notwithstanding anything to the contrary contained herein for purposes of this Agreement, constitute Term Loan Priority Collateral, and be payable to the Term Loan Agents on behalf of the Term Loan Claimholders.

III. ENFORCEMENT.

3.1 Exercise of Remedies — Restrictions on the Term Loan Agents and the other Term Loan Claimholders.

(a) Unless the Term Loan Agents and the Revolving Credit Agents agree in writing otherwise, until the Discharge of Revolving Credit Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, the Term Loan Agents and the other Term Loan Claimholders:

(1) will not seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, or otherwise exercise or seek to exercise any rights or remedies with respect to, any Revolving Credit Priority Collateral (including the exercise of any right of set-off or any right under any Account Agreement (other than Account Agreements with respect to Net Cash Proceeds Accounts), landlord waiver or bailee's letter or similar agreement or arrangement to which any Term Loan Agent or any other Term Loan Claimholder is a party, to the extent relating to Revolving Credit Priority Collateral), or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that any of the Term Loan Agents may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which any Term Loan Agent first declared the existence of a Term Loan Default and demanded the repayment of all the principal amount of any Term Loan Obligations; and (ii) the date on which any Revolving Credit Agent received notice from any Term Loan Agent of such declarations of a Term Loan Default and of such demand for payment (the "**Term Loan Standstill Period**"); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall any Term Loan Agent or any other Term Loan Claimholder exercise any rights or remedies with respect to the Revolving Credit Priority Collateral if, notwithstanding the expiration of the Term Loan Standstill Period, any of the Revolving Credit Agents or any of the other Revolving Credit Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Revolving Credit Priority Collateral (prompt notice of such exercise to be given to the Term Loan Agents);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by any Revolving Credit Agent or any other Revolving Credit Claimholder or any other exercise by any Revolving Credit Agent or any other Revolving Credit Claimholder of any rights and remedies relating to the Revolving Credit Priority Collateral, whether under the Revolving Credit Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.1(c), will not object to the forbearance by any of the Revolving Credit Agents or any of the other Revolving Credit Claimholders from bringing or pursuing any Enforcement;

provided that, in the case of each of the foregoing clauses (1), (2) and (3) above, the Liens (if any) granted to secure the Term Loan Obligations shall attach to any proceeds resulting from actions taken by any Revolving Credit Agent or any other Revolving Credit Claimholder in accordance with this Agreement after giving effect to any application of such proceeds to the Revolving Credit Obligations.

(b) Until the Discharge of Revolving Credit Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, the Revolving Credit Agents and the other Revolving Credit Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of Revolving Credit Priority Collateral by the respective Grantors after a Revolving Credit Default) make determinations regarding the release, disposition, or restrictions with respect to the Revolving Credit Priority Collateral without any consultation with or the consent of any Term Loan Agent or any other Term Loan Claimholder; provided, however, that the Lien (if any) securing the Term Loan Obligations shall remain on the proceeds (other than those properly applied to the Revolving Credit Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Revolving Credit Priority Collateral, the Revolving Credit Agents and the other Revolving Credit Claimholders may enforce the provisions of the Revolving Credit Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Revolving Credit Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC (or any similar or equivalent legislation of any applicable jurisdiction outside the United States) and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, any of the Term Loan Agents and any of the other Term Loan Claimholders may:

(1) file a claim or statement of interest with respect to the Term Loan Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor;

(2) take any action (not adverse to the priority status of the Liens on the Revolving Credit Priority Collateral securing the Revolving Credit Obligations, or the rights of any of the Revolving Credit Agents or any of the other Revolving Credit Claimholders to exercise rights or remedies in respect thereof) in order to create, perfect, preserve or protect its Lien on any of the Collateral, including exercising rights solely with respect to Term Loan Priority Collateral pursuant to rights provided under landlord waivers or bailee's letters or similar agreements or arrangements;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Term Loan

Claimholders, including any claims secured by the Revolving Credit Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Term Loan Obligations and/or the Term Loan Priority Collateral;

(6) exercise any of its rights or remedies with respect to any of the Revolving Credit Priority Collateral after the termination of the Term Loan Standstill Period to the extent permitted by Section 3.1(a)(1); and

(7) make a cash bid on all or any portion of the Revolving Credit Priority Collateral in any foreclosure proceeding or action.

Each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that it will not take or receive any Revolving Credit Priority Collateral or any proceeds of such Revolving Credit Priority Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Revolving Credit Priority Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Revolving Credit Obligations has occurred, except as expressly provided in Sections 3.1(a), 6.3(c)(1) and this Section 3.1(c), the sole right of the Term Loan Agents and the other Term Loan Claimholders with respect to the Revolving Credit Priority Collateral is to hold a Lien (if any) on such Revolving Credit Priority Collateral pursuant to the respective Term Loan Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Revolving Credit Obligations has occurred.

(d) Subject to Sections 3.1(a), 3.1(c) and 6.3(c)(1):

(1) each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that it will not take any action that would hinder any exercise of remedies under the Revolving Credit Loan Documents (other than with respect to Term Loan Priority Collateral) or under the Revolving Credit Loan Documents with respect to the Revolving Credit Priority Collateral or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Revolving Credit Priority Collateral, whether by foreclosure or otherwise;

(2) each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby waives any and all rights such Term Loan Agent and the respective other Term Loan Claimholders, as applicable, may at any time have as a junior lien creditor or otherwise to object to the manner in which any Revolving Credit Agent or

any other Revolving Credit Claimholders seek to enforce or collect the Revolving Credit Obligations or the Liens securing the Revolving Credit Priority Collateral if such enforcement or collection is undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of any Revolving Credit Agent or any other Revolving Credit Claimholders is adverse to the interest of the Term Loan Claimholders; and

(3) each Term Loan Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Term Loan Document shall be deemed to restrict in any way the rights and remedies of any Revolving Credit Agent or any other Revolving Credit Claimholder with respect to the enforcement of the Liens on the Revolving Credit Priority Collateral as set forth in this Agreement and the Revolving Credit Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.1(a), 3.1(d) and 3.5, the Term Loan Agents and the other Term Loan Claimholders may exercise rights and remedies as unsecured creditors against any Borrower or any other Grantor that has guaranteed or granted Liens to secure the Term Loan Obligations, and the Term Loan Agents and the other Term Loan Claimholders may exercise rights and remedies with respect to the Collateral, in each case, in accordance with the terms of this Agreement, the Term Loan Documents and applicable law; provided, however, that in the event that any Term Loan Agent or any other Term Loan Claimholder becomes a judgment Lien creditor in respect of Revolving Credit Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Term Loan Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Revolving Credit Priority Collateral) as the other Liens securing the Term Loan Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by any Term Loan Agent or any other Term Loan Claimholder of the required payments of interest, principal and other amounts owed in respect of its Term Loan Obligations, so long as such receipt is not the direct or indirect result of the exercise by any Term Loan Agent or any other Term Loan Claimholder of rights or remedies as a secured creditor in respect of the Revolving Credit Priority Collateral (including set-off) or enforcement in contravention of this Agreement of any Lien held by any of them. Nothing in this Agreement impairs or otherwise adversely affects, as between the Grantors and the Revolving Credit Claimholders, any rights or remedies the Revolving Credit Agents or the other Revolving Credit Claimholders may have against the Grantors under the Revolving Credit Loan Documents.

3.2 Exercise of Remedies — Restrictions on the Revolving Credit Agents and the other Revolving Credit Claimholders.

(a) Unless the Term Loan Agents and the Revolving Credit Agents agree in writing otherwise, until the Discharge of Term Loan Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, the Revolving Credit Agents and the other Revolving Credit Claimholders:

(1) will not seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, or otherwise exercise or seek to exercise any rights or remedies with respect to, any Term Loan Priority Collateral (including the exercise of any right of set-off or any right under any Account Agreement with respect to Net Cash Proceeds Accounts, landlord waiver or bailee's letter or similar agreement or arrangement to which any Revolving Credit Agent or any other Revolving Credit Claimholder is a party, to the extent relating to Term Loan Priority Collateral), or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that any of the Revolving Credit Agents may exercise the rights provided for in Section 3.3 (with respect to any Access Period) and Section 3.4 and may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which any Revolving Credit Agent first declared the existence of any Revolving Credit Default and demanded the repayment of all the principal amount of any Revolving Credit Obligations; and (ii) the date on which any Term Loan Agent received notice from any Revolving Credit Agent of such declarations of a Revolving Credit Default and of such demand for payment (the "**Revolving Credit Standstill Period**"); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall any Revolving Credit Agent or any other Revolving Credit Claimholder exercise any rights or remedies (other than those under Section 3.3) with respect to the Term Loan Priority Collateral if, notwithstanding the expiration of the Revolving Credit Standstill Period, any of the Term Loan Agents or any of the other Term Loan Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Term Loan Priority Collateral (prompt notice of such exercise to be given to the Revolving Credit Agents);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by any Term Loan Agent or any other Term Loan Claimholder or any other exercise by any Term Loan Agent or any other Term Loan Claimholder of any rights and remedies relating to the Term Loan Priority Collateral, whether under the Term Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.2(c), will not object to the forbearance by any of the Term Loan Agents or any of the other Term Loan Claimholders from bringing or pursuing any Enforcement;

provided that in the case of each of the foregoing clauses (1), (2) and (3) above, the Liens (if any) granted to secure the Revolving Credit Obligations shall attach to any proceeds resulting from actions taken by any Term Loan Agent or any other Term Loan Claimholder in accordance with this Agreement after giving effect to any application of such proceeds to the Term Loan Obligations.

(b) Until the Discharge of Term Loan Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, the Term Loan Agents and the other Term Loan Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their

debt) and make, in connection therewith (including voluntary Dispositions of Term Loan Priority Collateral by the respective Grantors after a Term Loan Default) determinations regarding the release, disposition, or restrictions with respect to the Term Loan Priority Collateral without any consultation with or the consent of any Revolving Credit Agent or any other Revolving Credit Claimholder; provided, however, that the Lien (if any) securing the Revolving Credit Obligations shall remain on the proceeds (other than those properly applied to the Term Loan Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Term Loan Priority Collateral, the Term Loan Agents and the other Term Loan Claimholders may enforce the provisions of the Term Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Term Loan Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC (or any similar or equivalent legislation of any applicable jurisdiction outside the United States) and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, any of the Revolving Credit Agents and any of the other Revolving Credit Claimholders may:

(1) file a claim or statement of interest with respect to the Revolving Credit Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor;

(2) take any action (not adverse to the priority status of the Liens on the Term Loan Priority Collateral securing the Term Loan Obligations, or the rights of any of the Term Loan Agents or any of the other Term Loan Claimholders to exercise rights or remedies in respect thereof) in order to create, perfect, preserve or protect its Lien on any of the Collateral, including exercising rights solely with respect to Revolving Credit Priority Collateral pursuant to rights provided under landlord waivers or bailee's letters or similar agreements or arrangements;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Revolving Credit Claimholders, including any claims secured by the Term Loan Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Revolving Credit Obligations and/or the Revolving Credit Priority Collateral;

(6) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Revolving Credit Standstill Period, to the extent permitted by Section 3.2(a)(1); and

(7) make a cash bid on all or any portion of the Term Loan Priority Collateral in any foreclosure proceeding or action.

Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, agrees that it will not take or receive any Term Loan Priority Collateral or any proceeds of such Term Loan Priority Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Term Loan Priority Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in Sections 3.2(a), 3.3, 6.3(c)(2) and this Section 3.2(c), the sole right of the Revolving Credit Agents and the other Revolving Credit Claimholders with respect to the Term Loan Priority Collateral is to hold a Lien (if any) on such Term Loan Priority Collateral pursuant to the respective Revolving Credit Loan Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Term Loan Obligations has occurred.

(d) Subject to Sections 3.2(a), 3.2(c), 3.3 and 6.3(c)(2):

(1) each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, agrees that it will not take any action that would hinder any exercise of remedies under the Term Loan Documents (other than with respect to Revolving Credit Priority Collateral) or under the Term Loan Documents with respect to the Term Loan Priority Collateral or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Term Loan Priority Collateral, whether by foreclosure or otherwise;

(2) each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, hereby waives any and all rights such Revolving Credit Agent and the respective other Revolving Credit Claimholders, as applicable, may at any time have as a junior lien creditor or otherwise to object to the manner in which any Term Loan Agent or any other Term Loan Claimholder seeks to enforce or collect the Term Loan Obligations or the Liens securing the Term Loan Priority Collateral if such enforcement or collection is undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of any Term Loan Agent or any other Term Loan Claimholders is adverse to the interest of the Revolving Credit Claimholders; and

(3) each Revolving Credit Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Revolving Credit Loan Document, shall be deemed to restrict in any way the rights and remedies of any Term Loan Agent or any other Term Loan Claimholder with respect to the enforcement of its Liens on the Term Loan Priority Collateral as set forth in this Agreement and the Term Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.2(a), 3.2(d) and 3.5, the Revolving Credit Agents and the other Revolving Credit Claimholders may exercise rights and remedies as unsecured creditors against any Borrower or any other Grantor that has guaranteed or granted Liens to secure the Revolving Credit Obligations and the Revolving Credit Agents and the other Revolving Credit Claimholders may exercise rights and remedies with respect to the Collateral, in each case, in accordance with the terms of this Agreement, the Revolving Credit Loan Documents and applicable law; provided, however, that in the event that any Revolving Credit Agent or any other Revolving Credit Claimholder becomes a judgment Lien creditor in respect of Term Loan Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Revolving Credit Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Loan Priority Collateral) as the other Liens securing the Revolving Credit Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by any Revolving Credit Agent or any other Revolving Credit Claimholder of the required payments of interest, principal and other amounts owed in respect of the Revolving Credit Obligations, so long as such receipt is not the direct or indirect result of the exercise by any Revolving Credit Agent or any other Revolving Credit Claimholder of rights or remedies as a secured creditor in respect of the Term Loan Priority Collateral (including set-off) or enforcement in contravention of this Agreement of any Lien held by any of them. Nothing in this Agreement impairs or otherwise adversely affects, as between the Grantors and the Term Loan Claimholders, any rights or remedies the Term Loan Agents or the other Term Loan Claimholders may have against the Grantors under the Term Loan Documents.

3.3 Exercise of Remedies — Collateral Access Rights.

(a) The Revolving Credit Agents and the Term Loan Agents agree not to commence Enforcement until the earlier of (i) the date on which an Enforcement Notice has been given to any Term Loan Agent by any Revolving Credit Agent or any Revolving Credit Agent by any Term Loan Agent, as the case may be, and (ii) the date on which any Insolvency or Liquidation Proceeding is commenced by or against any Grantor. Subject to the provisions of Sections 3.1 and 3.2 above, any of the Revolving Credit Agents and any of the Term Loan Agents may, to the extent permitted by applicable law, join in any judicial proceedings commenced by the other Person to enforce Liens on the Collateral, provided that no such Revolving Credit Agents or Term Loan Agents, nor any other Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall interfere with the Enforcement actions of the other with respect to Collateral in which such party or its Revolving Credit Agent or Term Loan Agent, as the case may be, has the benefit of the priority Lien in accordance herewith.

(b) If any of the Term Loan Agents or any of the other Term Loan Claimholders or any of their respective agents or representatives, or any third party pursuant to any Enforcement undertaken by any of the Term Loan Agents or any of the other Term Loan Claimholders, as applicable, or any receiver, shall obtain possession or physical control of any of the Mortgaged Premises, the Term Loan Agents shall promptly notify the Revolving Credit Agents of that fact and the Revolving Credit Agents shall, within 10 Business Days thereafter, notify the Term Loan Agents and, if applicable, any such third party (at such address to be

provided by the Term Loan Agents, as applicable, in connection with the applicable Enforcement), as to whether the Revolving Credit Agents desire to exercise access rights under this Agreement, at which time the parties shall confer in good faith to coordinate with respect to the Revolving Credit Agents' exercise of such access rights. Access rights may apply to differing parcels of Mortgaged Premises at differing times (i.e. the Revolving Credit Agents may obtain possession of one plant at a different time than it obtains possession of other properties), in which case, a differing Access Period may apply to each such property.

(c) Upon delivery of notice to the Term Loan Agents as provided in Section 3.3(b), the Access Period shall commence for the subject parcel of Mortgaged Premises. During the Access Period, the Revolving Credit Agents and their respective agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, the Term Loan Priority Collateral for the purpose of arranging for and effecting the sale or disposition of Revolving Credit Priority Collateral, including the production, completion, packaging and other preparation of such Revolving Credit Priority Collateral for sale or disposition. During any such Access Period, the Revolving Credit Agents and their respective agents, representatives and designees, may continue to operate, service, maintain, process and sell the Revolving Credit Priority Collateral, as well as to engage in bulk sales of Revolving Credit Priority Collateral. Each Revolving Credit Agent shall take proper care of any Term Loan Priority Collateral that is used by it during the Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by it or its agents, representatives or designees and comply with all applicable laws in connection with its use or occupancy of the Term Loan Priority Collateral. The Revolving Credit Agents and the other Revolving Credit Claimholders shall indemnify and hold harmless the Term Loan Agents and the other Term Loan Claimholders for any injury or damage to Persons or property caused by the acts or omissions of Persons under the control of any of the Revolving Credit Agents or any other Revolving Credit Claimholders. The Revolving Credit Agents and the Term Loan Agents shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Term Loan Agents to commence foreclosure of the Term Loan Mortgages or to show the Term Loan Priority Collateral to prospective purchasers and to ready the Term Loan Priority Collateral for sale.

(d) If any order or injunction is issued or stay is granted or otherwise comes into force which prohibits the Revolving Credit Agents from exercising any of their rights hereunder, then at the Revolving Credit Agents' option, the Access Period granted under this Section 3.3 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.3. If any Term Loan Agent shall foreclose or otherwise sell any of the Term Loan Priority Collateral, such Person will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring such Term Loan Priority Collateral subject to the terms of this Agreement.

(e) The Grantors hereby agree with the Term Loan Agents that the Revolving Credit Agents shall have access, during the Access Period, as described herein and each such Grantor that owns any of the Mortgaged Premises grants a non-exclusive easement in gross over its property to permit the uses by Revolving Credit Agents, contemplated by this Section 3.3. Each Term Loan Agent consents to such easement.

3.4 Exercise of Remedies — Intellectual Property Rights/Access to Information/Use of Equipment.

(a) Each Term Loan Agent hereby grants (to the full extent of its rights and interests) to each Revolving Credit Agent and its agents, representatives and designees a royalty free, rent free license and lease to use all of the Term Loan Priority Collateral (exclusive of Intellectual Property but including any computer or other data processing Equipment), to collect all Accounts or amounts owing under Instruments or Chattel Paper, to copy, use or preserve any and all information relating to any of the Collateral, and to complete the manufacture, packaging and sale of Inventory; provided, however, that the royalty free, rent free license and lease granted in clause (a) with respect to Equipment shall immediately expire upon the sale, lease, transfer or other disposition of such Equipment; provided, further, that the Term Loan Agents shall provide the Revolving Credit Agent with at least ten (10) days' notice prior to such sale, lease, transfer or disposition.

(b) Each Term Loan Agent hereby grants (to the full extent of its rights and interests) each Revolving Credit Agent and its agents, representatives and designees, solely during the Enforcement Period, (i) a nonexclusive, royalty free, worldwide license or sublicense (subject to the terms of the underlying license) (which will be binding on any successor or assignee of the Intellectual Property) to use all of the Term Loan Priority Collateral constituting Intellectual Property solely to the extent necessary to collect all Accounts or amounts owing under Instruments or Chattel Paper and to complete the manufacture, packaging and sale of Inventory and (ii) a nonexclusive, royalty free, worldwide license or sublicense (subject to the terms of the underlying license) (which will be binding on any successor or assignee of the Intellectual Property) to use any and all Term Loan Priority Collateral constituting Intellectual Property in connection with its Enforcement; provided, however, that each Revolving Credit Agent, during the term of the above licenses, shall use any Trademarks of such licensed Intellectual Property solely in connection with (x) goods or services which the Revolving Credit Agents in good faith reasonably believe to be in all material respects of at least the same level of quality offered by, and in a manner in which the Revolving Credit Agents in good faith reasonably believe to be in all material respects consistent with the practices of, the relevant Grantors as of the date of the Enforcement Notice or (y) the disposition of damaged, obsolete or second-quality goods which dispositions the Revolving Credit Agents in good faith reasonably believe will not materially diminish the distinctiveness and quality characteristics associated with such Intellectual Property or the validity thereof (it being understood and agreed that each Revolving Credit Agent and its agents, representatives and designees shall comply in all material respects with all laws pertaining to its use of Intellectual Property described hereunder, including notice requirements).

3.4 Exercise of Remedies — Set Off and Tracing of and Priorities in Proceeds. Each Term Loan Agent, for itself and on behalf of the other Term Loan Claimholders, acknowledges and agrees that, to the extent any such Person exercises its rights of set-off against any Grantors' Deposit Accounts, Securities Accounts or other assets, the amount of such set-off shall be deemed to be the Revolving Credit Priority Collateral to be held and distributed pursuant to Section 4.3; provided that the foregoing shall not apply to any set-off by any such Person against any Term Loan Priority Collateral (including proceeds thereof and amounts in any Net Cash Proceeds Accounts) to the extent applied to payment of Term Loan Obligations. Each Term

Loan Agent, for itself and on behalf of the other Term Loan Claimholders agrees that prior to an issuance of an Enforcement Notice all funds deposited under Account Agreements (excluding funds in Net Cash Proceeds Accounts) and then applied to the Revolving Credit Obligations shall be treated as Revolving Credit Priority Collateral and, unless any Revolving Credit Agent has actual knowledge to the contrary, any claim that payments made to any Revolving Credit Agent through the bank accounts that are subject to Account Agreements (other than Account Agreements with respect to Net Cash Proceeds Accounts) are proceeds of or otherwise constitute Term Loan Priority Collateral, are waived. Prior to an issuance of an Enforcement Notice, any proceeds of Collateral, whether or not deposited under Account Agreements, which are used by any Grantor to acquire other property (excluding property held pursuant to an Account Agreement) that is Collateral shall not (as among the Revolving Credit Agents, the Term Loan Agents and the various other Claimholders) be treated as proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. After an issuance of an Enforcement Notice, the Revolving Credit Agents, the Term Loan Agents and the other Claimholders shall cooperate in good faith to identify the proceeds of the Revolving Credit Priority Collateral and the Term Loan Priority Collateral, as the case may be (it being agreed that after an issuance of an Enforcement Notice, unless any Revolving Credit Agent has actual knowledge to the contrary, all funds deposited under Account Agreements (other than funds deposited in Net Cash Proceeds Accounts) and then applied to the Revolving Credit Obligations shall be presumed to be Revolving Credit Priority Collateral (a presumption that can be rebutted by the Term Loan Agents); provided, however, that no Revolving Credit Agent, Term Loan Agent or other Claimholder shall be liable or in any way responsible for any claims or damages from conversion of the Revolving Credit Priority Collateral or Term Loan Priority Collateral, as the case may be (it being understood and agreed that (i) the only obligation of any Revolving Credit Agent or other Revolving Credit Claimholder is to pay over to the Term Loan Agents, in the same form as received, with any necessary endorsements, all proceeds that such Revolving Credit Agent or other Revolving Credit Claimholder received that have been identified as proceeds of the Term Loan Priority Collateral and, until such time, such proceeds will be held in trust for the Term Loan Agents and (ii) the only obligation of any Term Loan Agent or other Term Loan Claimholder is to pay over to the Revolving Credit Agents, in the same form as received, with any necessary endorsements, all proceeds that such Term Loan Agent or other Term Loan Claimholder received that have been identified as proceeds of the Revolving Credit Priority Collateral. Any of the Revolving Credit Agents and any of the Term Loan Agents may request from the other an accounting of the identification of the proceeds of Collateral (and the Revolving Credit Agents and the Term Loan Agents, as the case may be, upon which such request is made shall deliver such accounting reasonably promptly after such request is made) and, until such time, such proceeds will be held in trust for the Revolving Credit Agents.

IV. PAYMENTS.

4.1 Application of Proceeds.

(a) So long as the Discharge of Revolving Credit Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, all Revolving Credit Priority Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Revolving Credit Priority Collateral upon the exercise of remedies by (x) any of the Revolving

Credit Agents or any other Revolving Credit Claimholders, shall be applied by the Revolving Credit Agents to the Revolving Credit Obligations in such order as specified in the relevant Revolving Credit Loan Documents or (y) any of the Term Loan Agents or any other Term Loan Claimholders in accordance with this Agreement shall be segregated and held in trust for and on behalf of and forthwith paid over to the Revolving Credit Agents for the benefit of the Revolving Credit Claimholders in the same form as received, with any necessary endorsements. Upon the Discharge of Revolving Credit Obligations, the Revolving Credit Agents shall deliver to the Term Loan Agents any Collateral and proceeds of Collateral held by any Revolving Credit Agents in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct, to be applied by the Term Loan Agents in such order as specified in the relevant Term Loan Documents.

(b) So long as the Discharge of Term Loan Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, all Term Loan Priority Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Term Loan Priority Collateral upon the exercise of remedies by (x) any of the Term Loan Agents or any other Term Loan Claimholders, shall be applied by the Term Loan Agents to the Term Loan Obligations in such order as specified in the other relevant Term Loan Documents or (y) any of the Revolving Credit Agents or any other Revolving Credit Claimholders in accordance with this Agreement shall be segregated and held in trust for and on behalf of and forthwith paid over to the Term Loan Agents for the benefit of the Term Loan Claimholders in the same form as received, with any necessary endorsements. Upon the Discharge of Term Loan Obligations, the Term Loan Agents shall deliver to the Revolving Credit Agents any Collateral and proceeds of Collateral held by any Term Loan Agents in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct, to be applied by the Revolving Credit Agents in such order as specified in the relevant Revolving Credit Loan Documents.

(c) Any amounts realized by the Revolving Credit Claimholders from real property interests of German Subsidiaries as provided in Section 2.5 shall be held in trust for and on behalf of and forthwith paid over to the Term Loan Agents in the same form as received, with any necessary endorsements.

4.2 Payments Over in Violation of Agreement. Unless and until both the Discharge of Revolving Credit Obligations and the Discharge of Term Loan Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Borrower or any other Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) received by any Revolving Credit Agent, any Term Loan Agent or any other Claimholder in connection with the exercise of any right or remedy (including set-off) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust for and on behalf of and forthwith paid over to the Revolving Credit Agents or the Term Loan Agents, as appropriate, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each of the Revolving Credit Agents is hereby authorized to make any such endorsements as agent for the Term Loan Agents and each of the Term Loan Agents is hereby authorized to make any such endorsements as agent for the Revolving Credit Agents. Each of the foregoing

authorizations is coupled with an interest and is irrevocable until both the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations have occurred.

4.3 Application of Payments. Subject to the other terms of this Agreement (a) all payments received by any Revolving Credit Agent or any other Revolving Credit Claimholder may be applied, reversed and reapplied, in whole or in part, to the Revolving Credit Obligations to the extent provided for in the Revolving Credit Loan Documents; and (b) all payments received by any Term Loan Agent or any other Term Loan Claimholder may be applied, reversed and reapplied, in whole or in part, to the Term Loan Obligations to the extent provided for in the Term Loan Documents.

V. OTHER AGREEMENTS.

5.1 Releases.

(a) (i) If in connection with the exercise of by any Revolving Credit Agent of remedies in respect of any Collateral as provided for in Section 3.1, any Revolving Credit Agent, for itself and/or on behalf of any of the other Revolving Credit Claimholders, releases its Liens on any part of the Revolving Credit Priority Collateral, then the Liens, if any, of the Term Loan Agents and the other Term Loan Claimholders on the Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. Each Term Loan Agent, for itself and on behalf of the other Term Loan Claimholders, shall promptly execute and deliver to the Revolving Credit Agents such termination statements, releases and other documents as the Revolving Credit Agents may request to effectively confirm such release.

(ii) If in connection with the exercise by any Term Loan Agent of remedies in respect of any Collateral as provided for in Section 3.2, any Term Loan Agent, for itself and/or on behalf of any of the other Term Loan Claimholders, releases all of its Liens on any part of the Term Loan Priority Collateral, then the Liens, if any, of the Revolving Credit Agents and the other Revolving Credit Claimholders on the Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. Each Revolving Credit Agent, for itself and on behalf of the other Revolving Credit Claimholders shall promptly execute and deliver to the Term Loan Agents such termination statements, releases and other documents as the Term Loan Agents may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral or all of the Equity Interests of any Grantor (collectively, a "**Disposition**") permitted under the terms of both the Revolving Credit Loan Documents and the Term Loan Documents (including voluntary Dispositions of Revolving Credit Priority Collateral by the respective Grantors after a Revolving Credit Default and voluntary Dispositions of Term Loan Priority Collateral by the respective Grantors after a Term Loan Default), (i) any Revolving Credit Agent, for itself and/or on behalf of any of the other Revolving Credit Claimholders, releases its Liens on any part of the Revolving Credit Priority Collateral subject to such Disposition or releases such Grantor whose Equity Interests have been so disposed of from its obligations under the Revolving Credit Loan Documents, in each case other than (A) in

connection with the Discharge of Revolving Credit Obligations or (B) after the occurrence and during the continuance of a Term Loan Default, then the Liens, if any, of the Term Loan Agents and the other Term Loan Claimholders on such Collateral subject to Disposition shall be automatically, unconditionally and simultaneously released (and in the case of a release of a Grantor from its obligations under the Revolving Credit Loan Documents as aforesaid, such Grantor shall be automatically, unconditionally and simultaneously released from its obligations under the Term Loan Documents), and (ii) any Term Loan Agent, for itself and/or on behalf of any of the other Term Loan Claimholders, releases its Liens on any part of the Term Loan Priority Collateral or releases such Grantor from its obligations under the Term Loan Documents, in each case other than (A) in connection with the Discharge of Term Loan Obligations or (B) after the occurrence and during the continuance of a Revolving Credit Default, then the Liens, if any, of the Revolving Credit Agents and the other Revolving Credit Claimholders on such Collateral shall be automatically, unconditionally and simultaneously released (and, in the case of a release of a Grantor from its obligations under the Term Loan Documents as aforesaid, such Grantor shall be automatically, unconditionally and simultaneously released from its obligations under the Revolving Credit Loan Documents). Each of the Revolving Credit Agents, for itself and/or on behalf of the other Revolving Credit Claimholders, and each of the Term Loan Agents, for itself and/or on behalf of the other Term Loan Claimholders, as the case may be, shall promptly execute and deliver to the Term Loan Agents or the Revolving Credit Agents, as the case may be, such termination statements, releases and other documents as the Term Loan Agents or the Revolving Credit Agents may request to effectively confirm such release.

(c) Until the Discharge of Revolving Credit Obligations shall occur, each Term Loan Agent, for itself and on behalf of the other Term Loan Claimholders, hereby irrevocably constitutes and appoints each Revolving Credit Agent and any of its officers or agents, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Term Loan Agent or each such other Term Loan Claimholder, whether in such Revolving Credit Agent's name or, at the option of such Revolving Credit Agent, in any Term Loan Agent's or any other Term Loan Claimholder's own name, from time to time in such Revolving Credit Agent's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.1, including any endorsements or other instruments of transfer or release.

(d) Until the Discharge of Term Loan Obligations shall occur, each Revolving Credit Agent, for itself and on behalf of the other Revolving Credit Claimholders hereby irrevocably constitutes and appoints each Term Loan Agent and any of its officers or agents, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Revolving Credit Agent or each such other Revolving Credit Claimholder, whether in such Term Loan Agent's name or, at the option of such Term Loan Agent, in any Revolving Credit Agent's name or any other Revolving Credit Claimholder's own name, from time to time in such Term Loan Agent's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the

purposes of this Section 5.1, including any endorsements or other instruments of transfer or release.

5.2 Insurance.

(a) Unless and until the Discharge of Revolving Credit Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Revolving Credit Loan Documents, (i) the Revolving Credit Agents and the other Revolving Credit Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Revolving Credit Priority Collateral or the Liens with respect thereto in the event of any loss thereunder or with respect thereto and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Revolving Credit Priority Collateral, (ii) all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the Revolving Credit Priority Collateral and to the extent required by the Revolving Credit Loan Documents shall be paid to the Revolving Credit Agents for the benefit of the Revolving Credit Claimholders pursuant to the terms of the Revolving Credit Loan Documents (including for purposes of cash collateralization of letters of credit) and thereafter, to the extent no Revolving Credit Obligations are outstanding, and subject to the terms of, and the rights of the Grantors under, the Term Loan Documents, to the Term Loan Agents for the benefit of the Term Loan Claimholders to the extent required under the Term Loan Documents and then, to the extent no Term Loan Obligations which were secured by such Collateral are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct and (iii) if any Term Loan Agent or any other Term Loan Claimholder shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Revolving Credit Agents in accordance with the terms of Section 4.2.

(b) Unless and until the Discharge of Term Loan Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Term Loan Documents, (i) the Term Loan Agents and the other Term Loan Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Term Loan Priority Collateral or the Liens with respect thereto in the event of any loss thereunder or with respect thereto and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Term Loan Priority Collateral, (ii) all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the Term Loan Priority Collateral and to the extent required by the Term Loan Documents shall be paid to the Term Loan Agents for the benefit of the Term Loan Claimholders pursuant to the terms of the Term Loan Documents and thereafter, to the extent no Term Loan Obligations are outstanding, and subject to the terms of, and the rights of the Grantors under, the Revolving Credit Loan Documents, to the Revolving Credit Agents for the benefit of the Revolving Credit Claimholders to the extent required under the Revolving Credit Loan Documents and then, to the extent no Revolving Credit Obligations which were secured by such Collateral are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct and (iii) if any Revolving Credit Agent or any other Revolving Credit Claimholder shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this

Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Term Loan Agents in accordance with the terms of Section 4.2.

(c) To effectuate the foregoing, the applicable Revolving Credit Agents and the applicable Term Loan Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Collateral hereunder. To the extent any proceeds are received for business interruption and those proceeds are not compensation for a casualty loss with respect to the Term Loan Priority Collateral, such proceeds shall first be applied to the payment of the Revolving Credit Obligations and then be applied, to the extent required by the Term Loan Documents, to the payment of the Term Loan Obligations. To the extent any proceeds are received for liability or indemnification and those proceeds are not compensation for a casualty loss with respect to the Term Loan Priority Collateral, such proceeds shall be applied to compensate or reimburse the Term Loan Claimholders and Revolving Credit Claimholders in accordance with such liability or indemnification claims.

5.3 Amendments to Revolving Credit Loan Documents and Term Loan Documents; Refinancings; Legending Provisions.

(a) The Revolving Credit Loan Documents and the Term Loan Documents may be Modified in accordance with the terms of both the Revolving Credit Loan Documents and the Term Loan Documents in each case, without notice to, or the consent (except to the extent a consent is required to permit such Modification under any Revolving Credit Loan Document or any Term Loan Document) of any Revolving Credit Agent or any other Revolving Credit Claimholder or any Term Loan Agent or any other Term Loan Claimholder, as the case may be, all without affecting the lien priorities provided for herein or the other provisions of this Agreement.

(b) (i) In the event any Revolving Credit Agent enters into (or otherwise agrees or consents to) any Modification in respect of any of the Revolving Credit Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Revolving Credit Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Revolving Credit Priority Collateral, then such Modification shall apply automatically to any comparable provision of the Comparable Term Loan Security Document without the consent of or action by any Term Loan Agent or any other Term Loan Claimholder (with all such Modifications subject to the terms hereof); provided that, (A) no such Modification shall have the effect of removing assets subject to the Lien of any Term Loan Security Document, except to the extent that a release of such Lien is permitted by Section 5.1, (B) any such Modification that materially and adversely affects the rights of any of the Term Loan Claimholders and does not affect the Revolving Credit Claimholders in a like or similar manner shall not apply to the Term Loan Security Documents without the consent of the Term Loan Agents, (C) no such Modification with respect to any provision applicable to any Term Loan Agent under any Term Loan Documents shall be made without the prior written consent of such Term Loan Agent and (D) notice of such Modification shall be given to the Term Loan Agents no later than 30 days after its effectiveness (provided that the failure to give such notice shall not affect the effectiveness and validity thereof) (other than, in the case of clauses (B) and (D), with respect to Modifications

that secure additional extensions of credit or add additional secured creditors and do not violate the express provisions of the Term Loan Documents).

(ii) In the event any Term Loan Agent enters into (or otherwise agrees or consents to) any Modification in respect of any of the Term Loan Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Term Loan Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Term Loan Priority Collateral, then such Modification shall apply automatically to any comparable provision of the Comparable Revolving Credit Security Document without the consent of or action by any Revolving Credit Agent or any other Revolving Credit Claimholder (with all such Modifications subject to the terms hereof); provided that, (A) no such a Modification shall have the effect of removing assets subject to the Lien of any Revolving Credit Security Document, except to the extent that a release of such Lien is permitted by Section 5.1, (B) any such Modification that materially and adversely affects the rights of any of the Revolving Credit Claimholders and does not affect the Term Loan Claimholders in a like or similar manner shall not apply to the Revolving Credit Security Documents without the consent of the Revolving Credit Agents, (C) no such Modification with respect to any provision applicable to any Revolving Credit Agent under any Revolving Credit Documents shall be made without the prior written consent of such Revolving Credit Agent and (D) notice of such Modification shall be given to the Revolving Credit Agents no later than 30 days after its effectiveness (provided that the failure to give such notice shall not affect the effectiveness and validity thereof) (other than, in the case of clauses (B) and (D), with respect to Modifications that secure additional extensions of credit or add additional secured creditors and do not violate the express provisions of the Revolving Credit Loan Documents).

(c) The Revolving Credit Obligations and the Term Loan Obligations may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is required to permit such Refinancing transaction under any Revolving Credit Loan Document or any Term Loan Document) of any Revolving Credit Agent or any other Revolving Credit Claimholder or any Term Loan Agent or any other Term Loan Claimholder, as the case may be, all without affecting the lien priorities provided for herein or the other provisions of this Agreement; provided, however, that the holders of such Refinancing indebtedness (or an authorized agent or trustee on their behalf) and each relevant Grantor bind themselves to the terms of this Agreement in such documents or agreements (including amendments or supplements to this Agreement) as the Revolving Credit Agents or the Term Loan Agents, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the Revolving Credit Agents or the Term Loan Agents, as the case may be, and any such Refinancing transaction shall be in accordance with the provisions of both the Revolving Credit Loan Documents and the Term Loan Documents.

(d) Each Revolving Credit Security Document and Term Loan Security Document shall include the following language (or language to similar effect approved by each of the Revolving Credit Agents and the Term Loan Agents):

"NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED

TO THE [COLLATERAL AGENT, COLLATERAL TRUSTEE OR OTHER PERSON, AS APPLICABLE], FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE [COLLATERAL AGENT, COLLATERAL TRUSTEE OR OTHER PERSON, AS APPLICABLE] [AND THE OTHER SECURED PARTIES] HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT, DATED AS OF JULY 6, 2007 (AS AMENDED, RESTATED, AMENDED AND RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "**INTERCREDITOR AGREEMENT**", AMONG NOVELIS INC., A CORPORATION FORMED UNDER THE CANADA BUSINESS CORPORATIONS ACT, NOVELIS CORPORATION, A TEXAS CORPORATION, NOVELIS PAE CORPORATION, A DELAWARE CORPORATION, NOVELIS FINANCES USA LLC, A DELAWARE LIMITED LIABILITY COMPANY, NOVELIS SOUTH AMERICA HOLDINGS LLC, A DELAWARE LIMITED LIABILITY COMPANY, ALUMINUM UPSTREAM HOLDINGS LLC, A DELAWARE LIMITED LIABILITY COMPANY, NOVELIS UK LIMITED, A LIMITED LIABILITY COMPANY INCORPORATED UNDER THE LAWS OF ENGLAND AND WALES WITH REGISTERED NUMBER 00279596, AND NOVELIS AG, A STOCK CORPORATION (AG) ORGANIZED UNDER THE LAWS OF SWITZERLAND, AV ALUMINUM INC., A CORPORATION FORMED UNDER THE CANADA BUSINESS CORPORATIONS ACT ("**HOLDINGS**"), THE SUBSIDIARIES OF HOLDINGS FROM TIME TO TIME PARTY THERETO, ABN AMRO BANK N.V., AS ADMINISTRATIVE AGENT FOR THE REVOLVING CREDIT LENDERS (AS DEFINED IN THE INTERCREDITOR AGREEMENT), LASALLE BUSINESS CREDIT, LLC, AS COLLATERAL AGENT FOR THE REVOLVING CREDIT CLAIMHOLDERS (AS DEFINED IN THE INTERCREDITOR AGREEMENT) AND AS FUNDING AGENT, ABN AMRO BANK N.V., ACTING THROUGH ITS CANADIAN BRANCH, AS CANADIAN ADMINISTRATIVE AGENT FOR THE REVOLVING CREDIT LENDERS AND AS CANADIAN FUNDING AGENT, UBS AG, STAMFORD BRANCH, AS ADMINISTRATIVE AGENT FOR THE TERM LOAN LENDERS (AS DEFINED IN THE INTERCREDITOR AGREEMENT), AND AS COLLATERAL AGENT FOR THE TERM LOAN CLAIMHOLDERS (AS DEFINED IN THE INTERCREDITOR AGREEMENT) AND CERTAIN OTHER PERSONS WHICH MAY BE OR BECOME PARTIES THERETO OR BECOME BOUND THERETO FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND

THIS AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL."

In addition, each of the Revolving Credit Agents and the Term Loan Agents agree that the foregoing language shall be modified as necessary or advisable or reasonably requested by either the Revolving Credit Agents (subject to the consent of the Term Loan Agents not to be unreasonably withheld) or the Term Loan Agents (subject to the consent of the Revolving Credit agents not to be unreasonably withheld) to conform to the requirements of any applicable jurisdiction.

(e) Each of the Revolving Credit Agents and the Term Loan Agents shall each use its best efforts to notify the Term Loan Agents or the Revolving Credit Agents, as applicable, of any Modification in respect of any Revolving Credit Loan Document or any Term Loan Document, as applicable, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party. In connection with each Modification permitted by Section 5.3, each of the Revolving Credit Agents and the Term Loan Agents shall, upon request of the Term Loan Agents or the Revolving Credit Agents, as applicable, provide copies of all relevant documentation related to such Modification to the Term Loan Agents or the Revolving Credit Agents, as applicable.

5.4 Bailee or Agency for Perfection.

(a) Each Revolving Credit Agent and each Term Loan Agent, respectively, agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees), to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or under the law of any applicable jurisdiction outside of the United States (such Collateral being the "**Pledged Collateral**"), as sub-agent and as bailee for the Term Loan Agents (for the benefit of the Term Loan Claimholders) and the Revolving Credit Agents (for the benefit of the Revolving Credit Claimholders), respectively, (such bailment being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2) and 9-313(c) of the UCC) and any of their respective assignees, solely for the purpose of perfecting the security interest granted under the Term Loan Documents and the Revolving Credit Loan Documents, respectively, subject to the terms and conditions of this Section 5.4. To the extent a junior pledge of or junior lien on any Term Loan Priority Collateral is prohibited or unenforceable under the law of any applicable jurisdiction outside of the United States, any applicable Term Loan Agent may, in its sole discretion, elect to hold any such Term Loan Priority Collateral, as sub-agent for the Revolving Credit Agents, for the benefit of the Revolving Lien Claimholders, solely for the purpose of the creation and/or perfection of Liens in such Term Loan Priority Collateral to secure the Revolving Credit Obligations, and subject to the terms and conditions of this Section 5.4, it being expressly understood and agreed that the claims of the Revolving Credit Claimholders in respect of such Term Loan Priority Collateral shall be subordinated to the claims of the Term Loan Claimholders in respect of such Term Loan Priority Collateral on the same basis as the Liens on the other Term Loan Priority Collateral securing any Revolving Credit Obligations are subordinated to the Liens on such other Term Loan Priority Collateral securing any Term Loan Obligations, and nothing in this Section 5.4 shall affect the status of such Collateral as Term Lien Priority Collateral.

In addition, the Term Loan Collateral Agent is hereby appointed by the Revolving Credit Agent as agent for the benefit of the Revolving Credit Claimholders for the purpose of holding the Collateral subject to the Italian Pledge Agreement, the Korea Share Pledge Agreement, Swiss Stock and IP Agreements and the German Assignment Agreements on behalf of both the Term Loan Claimholders and the Revolving Credit Claimholders, it being understood that the Collateral subject to the Italian Pledge Agreement, the Korea Share Pledge Agreement, the Swiss Stock and IP Agreements and the German Assignment Agreements constitutes Term Loan Priority Collateral.

In the event any Term Loan Agent becomes subject to liability, or suffers any costs, damages or expenses as a result of acting in any such capacity for the Revolving Credit Agents or Revolving Credit Claimholders, (i) the Grantors shall pay, reimburse, indemnify and hold harmless the Term Loan Agents for any such liabilities, costs, damages or expenses subject to the limitation set forth in Article VII of the Term Loan Agreement to the extent applicable and (ii) in the event the Grantors fail to so pay, reimburse, indemnify and hold harmless the Term Loan Agents, the Revolving Credit Claimholders shall pay, reimburse, indemnify and hold harmless the Term Loan Agents for any such liabilities, costs, damages or expenses.

To the extent a junior pledge of or junior lien on any Revolving Credit Priority Collateral is prohibited or unenforceable under the law of any applicable jurisdiction outside of the United States, any applicable Revolving Credit Agent may, in its sole discretion, hold any such Revolving Credit Priority Collateral, as sub-agent for the Term Loan Agents (for the benefit of the Term Lien Claimholders) solely for the purpose of the creation and/or perfection of Liens in such Revolving Credit Priority Collateral to secure the Term Loan Obligations, and subject to the terms and conditions of this Section 5.4, it being expressly understood and agreed that the claims of the Term Loan Claimholders in respect of such Pledged Collateral shall be subordinated to the claims of the Revolving Credit Claimholders in respect of such Revolving Credit Priority Collateral on the same basis as the Liens on the other Revolving Credit Priority Collateral securing any Term Loan Obligations are subordinated to the Liens on such other Revolving Credit Priority Collateral securing any Revolving Obligations, and nothing in this Section 5.4 shall affect the status of such Collateral as Revolving Credit Priority Collateral.

In addition, the Revolving Credit Collateral Agent is hereby appointed by the Term Loan Agents as agent for the benefit of the Term Loan Claimholders for the purpose of holding the Collateral subject to the Swiss Security Agreement and the German Receivables Assignments on behalf of both the Revolving Credit Claimholders and the Term Loan Claimholders.

In the event any Revolving Credit Agent becomes subject to liability, or suffers any costs, damages or expenses as a result of acting in any such capacity for the Term Loan Agents or Term Loan Claimholders, (i) the Grantors shall pay, reimburse, indemnify and hold harmless the Revolving Credit Agents for any such liabilities, costs, damages or expenses subject to the limitation set forth in Article VII of the Revolving Credit Agreement to the extent applicable and (ii) in the event the Grantors fail to so pay, reimburse, indemnify and hold harmless the Revolving Credit Agents, the Term Loan Claimholders shall pay, reimburse, indemnify and hold harmless the Revolving Credit Agents for any such liabilities, costs, damages or expenses.

(b) No Person shall have any obligation whatsoever to any other Person to ensure that the Pledged Collateral (or any other Collateral held by the Term Loan Agents for the Revolving Credit Agents or by the Revolving Credit Agents for the Term Loan Agents) is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.4. The duties or responsibilities under this Section 5.4 shall be limited solely to holding the Pledged Collateral (or such other Collateral held as provided in clause (a) above) as sub-agent and/or bailee, as applicable, in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of Revolving Credit Obligations or Discharge of Term Loan Obligations, as the case may be, as provided in paragraph (d) below.

(c) No Person acting pursuant to this Section 5.4 shall have by reason of the Revolving Credit Loan Documents, the Term Loan Documents, this Agreement or any other document, a fiduciary relationship with any other Person with respect to such acts.

(d) Upon the Discharge of Revolving Credit Obligations the Revolving Credit Agents shall deliver the remaining Pledged Collateral (if any) in their possession or control (or in the possession or control of their agents), together with any necessary endorsements, first, to the Term Loan Agents to the extent the Term Loan Obligations which are secured by such Pledged Collateral remain outstanding, and second, to the applicable Grantor (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral). Each Revolving Credit Agent further agrees to take all other action reasonably requested by any Term Loan Agent in connection with such Term Loan Agent obtaining a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

(e) Upon the Discharge of the Term Loan Obligations, the Term Loan Agents shall deliver the remaining Pledged Collateral (if any) in their possession or control (or in the possession or control of their agents), together with any necessary endorsements, first, to the Revolving Credit Agents to the extent any Revolving Credit Obligations which are secured by such Pledged Collateral remain outstanding, and second, to the applicable Grantor (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral). Each Term Loan Agent further agrees to take all other action reasonably requested by any Revolving Credit Agent in connection with such Revolving Credit Agent obtaining a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

(f) Subject to the terms of this Agreement, (i) so long as the Discharge of Revolving Credit Obligations has not occurred, each Revolving Credit Agent shall be entitled to deal with any Pledged Collateral and any other Collateral within its “control” (within the meaning of the UCC) in accordance with the terms of this Agreement and the Revolving Credit Loan Documents, but only to the extent that such Collateral constitutes Revolving Credit Priority Collateral, as if the Liens (if any) of the Term Loan Agents did not exist and (ii) so long as the Discharge of Term Loan Obligations has not occurred, each Term Loan Agent shall be entitled to deal with any Pledged Collateral and any other Collateral within its “control” (within the meaning of the UCC) in accordance with the terms of this Agreement and the Term Loan Documents, but only to the extent that such Collateral constitutes Term Loan Priority Collateral, as if the Liens of the Revolving Credit Agents did not exist.

5.5 When Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations Deemed to Not Have Occurred. If concurrently with the Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations, any of the Grantors thereafter enters into any Refinancing of any Revolving Credit Obligations or any Term Loan Obligations, as the case may be, which Refinancing is permitted by the Term Loan Documents and the Revolving Credit Loan Documents, then such Discharge of Revolving Credit Obligations or Discharge of Term Loan Obligations, as the case may be, shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken as a result of the occurrence of such first Discharge of Revolving Credit Obligations or Discharge of Term Loan Obligations) and, from and after the date on which the New Debt Notice is delivered to the Revolving Credit Agents or the Term Loan Agents, as applicable, in accordance with the next sentence, the obligations under such Refinancing shall automatically be treated as Revolving Credit Obligations or Term Loan Obligations, as applicable, for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and the Revolving Credit Agents or the Term Loan Agents, as the case may be, under such new Revolving Credit Loan Documents or Term Loan Documents shall be the Revolving Credit Agents or the Term Loan Agents, as applicable, for all purposes of this Agreement. Upon receipt of a notice (the "**New Debt Notice**") stating that the applicable Grantors have entered into new Revolving Credit Loan Documents or Term Loan Documents (which notice shall include a complete copy of the relevant new documents and provide the identity of the new agent(s) for such facility, such agent(s), the "**New Agent**"), the Revolving Credit Agents and the Term Loan Agents shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as such Grantors or such New Agent shall reasonably request in order to provide to the New Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (b) deliver, to the extent contemplated by this Agreement, to such New Agent any Pledged Collateral in its possession or control, together with any necessary endorsements (or otherwise allow such New Agent to obtain possession or control of such Pledged Collateral) (for the avoidance of doubt, it being expressly understood and agreed that nothing in this clause (b) shall require (x) any Revolving Credit Agent to deliver or otherwise allow any New Agent to obtain possession or control of Pledged Collateral constituting Revolving Credit Priority Collateral or (y) any Term Loan Agent to deliver or otherwise allow any New Agent to obtain possession or control of Pledged Collateral constituting Term Loan Priority Collateral). The New Agent shall agree in a writing addressed to the Revolving Credit Agents and the other Revolving Credit Claimholders, or the Term Loan Agents and the other Term Loan Claimholders, as applicable, and in form and substance reasonably acceptable to the Revolving Credit Agents or the Term Loan Agents, as applicable, to be bound by the terms of this Agreement.

VI. INSOLVENCY OR LIQUIDATION PROCEEDINGS.

6.1 Finance and Sale Issues.

(a) Until the Discharge of Revolving Credit Obligations has occurred, if any Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding in the United States or in Canada and the Revolving Credit Agents shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code),

constituting Revolving Credit Priority Collateral or to permit any Borrower or any other Grantor to obtain financing, whether from the Revolving Credit Claimholders or any other Person under Section 364 of the Bankruptcy Code, under any similar Bankruptcy Law or pursuant to the order of a court ("**DIP Financing**"), then each Term Loan Agent on behalf of itself and the other Term Loan Claimholders agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meets the following requirements: (i) it is on commercially reasonable terms, (ii) the Term Loan Agents and the other Term Loan Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are materially prejudicial to their interests in the Term Loan Priority Collateral, and (iii) the terms of the DIP Financing (A) do not compel any Borrower or other Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document and (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order. To the extent the Liens securing the Revolving Credit Obligations are subordinated to or pari passu with such DIP Financing which meets the requirements of clauses (i) through (iii) above, each Term Loan Agent will subordinate any Liens in the Revolving Credit Priority Collateral securing the Term Loan Obligations to the Liens securing such DIP Financing (and all Obligations relating thereto) on the same terms as the Liens securing the Revolving Credit Obligations are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Revolving Credit Agents or to the extent permitted by Section 6.3).

(b) Until the Discharge of Term Loan Obligations has occurred, if any Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding in the United States or Canada and the Term Loan Agents shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting Term Loan Priority Collateral or to permit any Borrower or any other Grantor to obtain DIP Financing, whether from the Revolving Credit Claimholders or any other Person, then each Revolving Credit Agent on behalf of itself and the other Revolving Credit Claimholders agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meets the following requirements: (i) it is on commercially reasonable terms, (ii) the Revolving Credit Agents and the other Revolving Credit Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are materially prejudicial to their interests in the Revolving Credit Priority Collateral, and (iii) the terms of the DIP Financing (A) do not compel any Borrower or other Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document and (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order. To the extent the Liens securing the Term Loan Obligations are subordinated to or pari passu with such DIP Financing which meets the requirements of clauses (i) through (iii) above, each Revolving Credit Agent will subordinate any Liens in the Term Loan Priority Collateral securing the Revolving Credit Obligations to the Liens securing such DIP Financing (and all Obligations relating thereto) on the same terms as the Liens securing the Term Loan Obligations are subordinated thereto (and

such subordination will not alter in any manner the terms of this Agreement), and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Term Loan Agents or to the extent permitted by Section 6.3).

6.2 Relief from the Automatic Stay.

(a) Until the Discharge of Revolving Credit Obligations has occurred, each Term Loan Agent, on behalf of itself and each other Term Loan Claimholder, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any Revolving Credit Priority Collateral (other than to the extent such relief is required to exercise its rights under Section 3.3), without the prior written consent of the Revolving Credit Agents.

(b) Until the Discharge of Term Loan Obligations has occurred, each Revolving Credit Agent, on behalf of itself and the each other Revolving Credit Claimholder agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any Term Loan Priority Collateral (other than to the extent such relief is required to exercise its rights under Section 3.3), without the prior written consent of the Term Loan Agents.

6.3 Adequate Protection.

(a) Each Term Loan Agent, on behalf of itself and each of the other Term Loan Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by any Revolving Credit Agent for adequate protection with respect to any Revolving Credit Priority Collateral; or

(2) any objection by any Revolving Credit Agent to any motion, relief, action or proceeding based on the Revolving Credit Agents or the other Revolving Credit Claimholders claiming a lack of adequate protection with respect to the Revolving Credit Priority Collateral.

(b) Each Revolving Credit Agent, on behalf of itself and each of the other Revolving Credit Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by any Term Loan Agent for adequate protection with respect to any Term Loan Priority Collateral; or

(2) any objection by any Term Loan Agent to any motion, relief, action or proceeding based on the Term Loan Agents or any other Term Loan Claimholders claiming a lack of adequate protection with respect to the Term Loan Priority Collateral.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency or Liquidation Proceeding:

(1) in the event any of the Revolving Credit Agents or any of the other Revolving Credit Claimholders is granted adequate protection in respect of Revolving Credit Priority Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Revolving Credit Priority Collateral), then each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, agrees that the Term Loan Agents and the other Term Loan Claimholders may also be granted a Lien on the same additional collateral as security for the Term Loan Obligations and for any Cash Collateral use or DIP Financing provided by any Term Loan Claimholders, and each Term Loan Agent, on behalf of itself and each other Term Loan Claimholder, agrees that any Lien on such additional collateral securing the Term Loan Obligations, shall be subordinated (except to the extent that the Term Loan Agents or any other Term Loan Claimholders already had a Lien on such Collateral (in which case the priorities established by Section 2.1 shall apply)) to the Liens on such collateral securing the Revolving Credit Obligations and any Cash Collateral use or DIP Financing provided by any Revolving Credit Claimholders (and all Obligations relating thereto), all on the same basis as the other Liens of the Term Loan Agents and the other Term Loan Claimholders on the Revolving Credit Priority Collateral; and

(2) in the event any of the Term Loan Agents or any of the other Term Loan Claimholders is granted adequate protection in respect of Term Loan Priority Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Term Loan Priority Collateral), then each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that the Revolving Credit Agents and the other Revolving Credit Claimholders may also be granted a Lien on the same additional collateral as security for the Revolving Credit Obligations and for any Cash Collateral use or DIP Financing provided by any Revolving Credit Claimholders, and each Revolving Credit Agent, on behalf of itself and each other Revolving Credit Claimholder, agrees that any Lien on such additional collateral securing the Revolving Credit Obligations, shall be subordinated (except to the extent that the Revolving Credit Agents or any other Revolving Credit Claimholders already had a Lien on such Collateral (in which case the priorities established by Section 2.1 shall apply)) to the Liens on such collateral securing the Term Loan Obligations and any Cash Collateral use or DIP Financing provided by any Term Loan Claimholders (and all Obligations relating thereto), all on the same basis as the other Liens of the Revolving Credit Agents and the other Revolving Credit Claimholders on the Term Loan Priority Collateral.

(d) Except as otherwise expressly set forth in Section 6.1 or in connection with the exercise of remedies with respect to (i) the Revolving Credit Priority Collateral, nothing herein shall limit the right of the Term Loan Agents and the other Term Loan Claimholders to seek adequate protection with respect to their rights in the Term Loan Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise) or (ii) the Term Loan Priority Collateral, nothing herein shall limit the right of the Revolving Credit Agents and the other Revolving Credit Claimholders to seek adequate protection with respect to their rights in the Revolving Credit Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

6.4 Avoidance Issues. If any Revolving Credit Claimholders or Term Loan Claimholders are required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower or any other Grantor any amount paid in respect of Revolving Credit Obligations or the Term Loan Obligations, as the case may be, (a "**Recovery**"), then such Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall be entitled to a reinstatement of Revolving Credit Obligations or the Term Loan Obligations, as the case may be, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.5 Reorganization Securities. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of Revolving Credit Obligations and on account of Term Loan Obligations, then, to the extent the debt obligations distributed on account of the Revolving Credit Obligations and on account of the Term Loan Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the debt obligations so distributed, to the Liens securing such debt obligations and the distribution of proceeds thereof.

6.6 Post-Petition Interest.

(a) Each of the Term Loan Agents, on behalf of itself and the other Term Loan Claimholders, agrees that none of them shall oppose or seek to challenge any claim by any Revolving Credit Agent or any other Revolving Credit Claimholder for allowance in any Insolvency or Liquidation Proceeding of Revolving Credit Obligations consisting of Post-Petition Interest, fees or expenses to the extent of (x) the value of the Lien on Revolving Credit Priority Collateral securing any Revolving Credit Obligations, without regard to the existence of any Lien of any Term Loan Agent on behalf of the Term Loan Claimholders on the Revolving Credit Priority Collateral and (y) the value of the Lien on Term Loan Priority Collateral securing any Revolving Credit Obligations, taking into account the existence of any Lien of any Term Loan Agent on behalf of the Term Loan Claimholders on any Term Loan Priority Collateral.

(b) Each of the Revolving Credit Agents, on behalf of itself and the other Revolving Credit Claimholders, agrees that none of them shall oppose or seek to challenge any claim by any Term Loan Agent or any other Term Loan Claimholder for allowance in any Insolvency or Liquidation Proceeding of Term Loan Obligations consisting of Post-Petition Interest, fees or expenses to the extent of (x) the value of the Lien on Term Loan Priority Collateral securing any Term Loan Obligations, without regard to the existence of any Lien of any Revolving Credit Agent on behalf of the Revolving Credit Claimholders on any Term Loan Priority Collateral and (y) the value of the Lien on any Revolving Credit Priority Collateral securing any Term Loan Obligations, taking into account the existence of any Lien of any Revolving Credit Agent on behalf of the Revolving Credit Claimholders on any Revolving Credit Priority Collateral.

6.7 Waiver — Section 1111(b)(2) Issues.

(a) Each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, waives any objection or claim any Term Loan Claimholder may hereafter have against any Revolving Credit Claimholder arising out of the election of any Revolving Credit Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code to any claims of such Revolving Credit Claimholder and agrees that in the case of any such election it shall have no claim or right to payment with respect to the Revolving Credit Priority Collateral in or from such Insolvency or Liquidation Proceeding.

(b) Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, waives any objection or claim any Revolving Credit Claimholder may hereafter have against any Term Loan Claimholder arising out of the election of any Term Loan Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code to any claims of such Term Loan Claimholder and agrees that in the case of any such election it shall have no claim or right to payment with respect to the Term Loan Priority Collateral in or from such Insolvency or Liquidation Proceeding.

6.8 Asset Dispositions in an Insolvency or Liquidation Proceeding.

(a) No Term Loan Agent nor any other Term Loan Claimholder shall, in an Insolvency or Liquidation Proceeding or otherwise, oppose any sale or disposition of any Revolving Credit Priority Collateral that is supported by the Revolving Credit Claimholders, and the Term Loan Agents and the other Term Loan Claimholders will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale of any Revolving Credit Priority Collateral supported by the Revolving Credit Claimholders and to have released their Liens on such assets.

(b) No Revolving Credit Agent nor any other Revolving Credit Claimholder shall, in an Insolvency or Liquidation Proceeding or otherwise, oppose any sale or disposition of any Term Loan Priority Collateral that is supported by the Term Loan Claimholders, and the Revolving Credit Agents and the other Revolving Credit Claimholders will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale of any Term Loan Priority Collateral supported by the Term Claimholders and to have released their Liens on such assets; provided that this Section 6.8(b) shall not apply to any sale or disposition of Real Property unless the Revolving Credit Agents have received at least 90 days prior notice of the consummation of any such sale.

6.9 Additional Section 363 and Section 364 Matters.

(a) To the extent that any Revolving Credit Agent or any other Revolving Credit Claimholder has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or otherwise with respect to any of the Term Loan Priority Collateral, each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, agrees not to assert any of such rights without the prior written consent of the Term Loan Agents; provided that if requested by the Term Loan Agents, the Revolving Credit Agents shall timely exercise such rights in the manner requested by the Term Loan Agents, including any rights to payments in respect of such rights.

(b) To the extent that any Term Loan Agent or any other Term Loan Claimholder has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or otherwise with respect to any of the Revolving Credit Priority Collateral, each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees not to assert any of such rights without the prior written consent of the Revolving Credit Agents; provided that if requested by the Revolving Credit Agents, the Term Loan Agents shall timely exercise such rights in the manner requested by the Revolving Credit Agents, including any rights to payments in respect of such rights.

6.10 Effectiveness in Insolvency or Liquidation Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency or Liquidation Proceeding.

6.11 Separate Grants of Security and Separate Classification. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby acknowledges and agrees that (a) the grants of Liens pursuant to the Revolving Credit Security Documents and the Term Loan Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Collateral, the Term Loan Obligations are fundamentally different from the Revolving Credit Obligations and should be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Revolving Credit Claimholders and the Term Loan Claimholders in respect of the Collateral constitute claims in the same class (rather than separate classes of senior and junior secured claims), then each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby acknowledges and agrees that all distributions shall be made as if there were separate classes of Revolving Credit Obligation claims and Term Loan Obligation claims against the Grantors (with the effect being that, (i) to the extent that the aggregate value of the Revolving Credit Priority Collateral is sufficient (for this purpose ignoring all claims held by the Term Loan Claimholders), the Revolving Credit Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from the Revolving Credit Priority Collateral, before any distribution is made in respect of the claims held by the Term Loan Claimholders, and (ii) to the extent that the aggregate value of the Term Loan Priority Collateral is sufficient (for this purpose ignoring all claims held by the Revolving Credit Claimholders), the Term Loan Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from the Term Loan Priority Collateral, before any distribution is made in respect of the claims held by the Revolving Credit Claimholders, in each case, with the other Claimholders hereby acknowledging and agreeing to turn over to the respective other Claimholders amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries.

VII. RELIANCE; WAIVERS; ETC.

7.1 Reliance. Other than any reliance on the terms of this Agreement, each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, acknowledges that it and such other Revolving Credit Claimholders have, independently and without reliance on any Term Loan Agent or any other Term Loan Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Revolving Credit Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Revolving Credit Loan Documents or this Agreement. Other than any reliance on the terms of this Agreement, each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, acknowledges that it and such other Term Loan Claimholders have, independently and without reliance on any Revolving Credit Agent or any other Revolving Credit Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Term Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Term Loan Documents or this Agreement.

7.2 No Warranties or Liability. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, acknowledges and agrees that each of the Term Loan Agents and the other Term Loan Claimholders has made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Term Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Term Loan Agents and the other Term Loan Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Term Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. Each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, acknowledges and agrees that each of the Revolving Credit Agents and the other Revolving Credit Claimholders has made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Revolving Credit Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Revolving Credit Agents and the other Revolving Credit Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Revolving Credit Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Agents and the other Term Loan Claimholders shall have no duty to the Revolving Credit Agents or any of the other Revolving Credit Claimholders, and the Revolving Credit Agents and the other Revolving Credit Claimholders shall have no duty to the Term Loan Agents or any of the other Term Loan Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Borrower or any other Grantor (including the Revolving Credit Loan Documents and the Term Loan Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities.

(a) No right of any Revolving Credit Agent or any other Revolving Credit Claimholder, or any Term Loan Agent or any other Term Loan Claimholder to enforce any provision of this Agreement, any Revolving Credit Loan Document or any other Term Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Borrower or any other Grantor or by any act or failure to act by such Persons or by any noncompliance by any such Persons with the terms, provisions and covenants of this Agreement, any of the Revolving Credit Loan Documents or any of the Term Loan Documents, regardless of any knowledge thereof which such Persons, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Borrowers and the other Grantors under the Revolving Credit Loan Documents and Term Loan Documents and subject to the provisions of Section 5.3), the Revolving Credit Agents and the other Revolving Credit Claimholders and the Term Loan Agents and the other Term Loan Claimholders may, at any time and from time to time in accordance with the Revolving Credit Loan Documents and the Term Loan Documents and/or applicable law, without the consent of, or notice to, the other Persons (as the case may be), without incurring any liabilities to such Persons and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:

(1) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Borrower or any other Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise Modify in any manner any Liens held by any Revolving Credit Agent or any Term Loan Agent or any rights or remedies under any of the Revolving Credit Loan Documents or the Term Loan Documents;

(2) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Borrower or any other Grantor or any liability incurred directly or indirectly in respect thereof;

(3) settle or compromise any Obligation or any other liability of any Borrower or any other Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

(4) except to the extent provided in this Agreement, exercise or delay in or refrain from exercising any right or remedy against any security or any Borrower or any other Grantor or any other Person, elect any remedy and otherwise deal freely with any Borrower or any other Grantor.

7.4 Obligations Unconditional. All rights, interests, agreements and obligations of the Revolving Credit Agents and the other Revolving Credit Claimholders and the Term Loan Agents and the other Term Loan Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Revolving Credit Loan Document or any Term Loan Document;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the Revolving Credit Obligations or Term Loan Obligations, or any Modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Revolving Credit Loan Document or any Term Loan Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any Modification, whether in writing or by course of conduct or otherwise, of all or any of the Revolving Credit Obligations or the Term Loan Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of any Borrower or any other Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Borrower or any other Grantor in respect of any Revolving Credit Agent or any other Revolving Credit Claimholder, any Revolving Credit Obligations, any Term Loan Agent or any other Term Loan Claimholder or any Term Loan Obligations, in respect of this Agreement.

VIII. MISCELLANEOUS.

8.1 Conflicts; No Additional Rights. In the event of any conflict between the provisions of this Agreement and the provisions of any Revolving Credit Loan Document or any Term Loan Document, the provisions of this Agreement shall govern and control; provided that (i) to the extent the provisions of any applicable Revolving Credit Loan Documents reserve in favor of any particular Revolving Credit Agents or other Revolving Credit Claimholders (or any subset thereof) any rights to direct rights and remedies with respect to any of the Collateral, such rights shall not be deemed to have been granted to any other Revolving Credit Claimholders solely as a result of the provisions of this Agreement and (ii) to the extent the provisions of any applicable Term Loan Documents reserve in favor of any particular Term Loan Agents or other Term Loan Claimholders (or any subset thereof) any rights to direct rights and remedies with respect to any of the Collateral, such rights shall not be deemed to have been granted to any other Term Loan Claimholders solely as a result of the provisions of this Agreement.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the Revolving Credit Agents and the other Revolving Credit Claimholders and the Term Loan Agents and the other Term Loan

Claimholders may continue, at any time and without notice to any of the others, to extend credit and other financial accommodations and lend monies to or for the benefit of any Borrower or any other Grantor in reliance hereon. Each such Person hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Borrower or any other Grantor shall include such Borrower or such other Grantor as debtor and debtor-in-possession and any receiver or trustee for any Borrower or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the Revolving Credit Agents and the other Revolving Credit Claimholders and the Revolving Credit Obligations, on the date of the Discharge of Revolving Credit Obligations, subject to the provisions of Section 5.5 and the rights of the Revolving Credit Agents and the other Revolving Credit Claimholders under Section 6.4; and

(b) with respect to the Term Loan Agents and the other Term Loan Claimholders and the Term Loan Obligations, on the date of the Discharge of Term Loan Obligations, subject to the provisions of Section 5.5 and the rights of the Term Loan Agents and the other Term Loan Claimholders under Section 6.4.

8.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement shall be deemed to be made unless the same shall be in writing signed on behalf of Revolving Credit Agents and the Term Loan Agents or their respective authorized agents and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Borrower nor any other Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent its rights are directly and adversely affected in any material respect (which includes, but is not limited to any amendment to any Grantor's ability to cause additional obligations to constitute Revolving Credit Obligations or Term Loan Obligations as such Grantor may designate).

8.4 Information Concerning Financial Condition of Holdings, the Borrowers and their Respective Subsidiaries. The Revolving Credit Agents and the other Revolving Credit Claimholders, on the one hand, and the Term Loan Agents and the other Term Loan Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrowers and their respective Subsidiaries and all endorsers and/or guarantors of the Revolving Credit Obligations or the Term Loan Obligations and (b) all other circumstances bearing upon the risk of nonpayment of any of the Revolving Credit Obligations or the Term Loan Obligations. Neither the Revolving Credit Agent and the other Revolving Credit Claimholders, on the one hand, nor the Term Loan Agents and the other Term Loan Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding any such condition or any such circumstances or

otherwise. In the event that either any of the Revolving Credit Agents or any of the other Revolving Credit Claimholders, on the one hand, or any of the Term Loan Agents or any of the other Term Loan Claimholders, on the other hand, undertake at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation:

(a) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(b) to provide any additional information or to provide any such information on any subsequent occasion;

(c) to undertake any investigation; or

(d) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation.

(a) With respect to the value of any payments or distributions in cash, property or other assets that any Term Loan Agent or any other Term Loan Claimholder pays over to any Revolving Credit Agent or any other Revolving Credit Claimholder under the terms of this Agreement, the Term Loan Agents and the other Term Loan Claimholders shall be subrogated to the rights of the Revolving Credit Agents and the other Revolving Credit Claimholders; provided, however, that each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby agrees not to assert or enforce any such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Revolving Credit Obligations has occurred. Each Grantor acknowledges and agrees that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by any Term Loan Agent or any other Term Loan Claimholder that are paid over to any Revolving Credit Agent or any other Revolving Credit Claimholder pursuant to this Agreement shall not reduce any of the Term Loan Obligations.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any Revolving Credit Agent or any other Revolving Credit Claimholder pays over to any Term Loan Agent or any other Term Loan Claimholder under the terms of this Agreement, the Revolving Credit Agents and the other Revolving Credit Claimholders shall be subrogated to the rights of the Term Loan Agents and the other Term Loan Claimholders; provided, however, that each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, hereby agrees not to assert or enforce any such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Term Loan Obligations has occurred. Each Grantor acknowledges and agrees that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by any Revolving Credit Agent or any other Revolving Credit Claimholder that are paid over to any Term Loan Agent or any other Term Loan Claimholder pursuant to this Agreement shall not reduce any of the Revolving Credit Obligations.

8.6 SUBMISSION TO JURISDICTION; WAIVERS.

(a) **ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:**

(1) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;

(2) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;

(3) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.7 (OR IN THE CASE OF ANY GRANTOR, TO ITS AGENT SPECIFIED IN SECTION 8.19); AND

(4) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (3) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) **EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE; MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.6(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR**

MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER REVOLVING CREDIT LOAN DOCUMENT, TERM LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.**

8.7 Notices. All notices to the Revolving Credit Claimholders permitted or required under this Agreement shall be sent to the Revolving Credit Agents, on behalf of the Revolving Credit Claimholders (and the Revolving Credit Agents shall distribute such notices to the other Revolving Credit Claimholders). All notices to the Term Loan Claimholders permitted or required under this Agreement shall be sent to the Term Loan Agents, on behalf of the Term Loan Claimholders (and the Term Loan Agents shall distribute such notices to the other Term Loan Claimholders), respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.8 Further Assurances. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, agrees that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as any Revolving Credit Agent or any Term Loan Agent may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

8.9 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

8.10 Binding Effect on Successors and Assigns and on Claimholders and Term Loan Agents. This Agreement shall be binding upon the Revolving Credit Agents and the other Revolving Credit Claimholders, the Term Loan Agents and the other Term Loan Claimholders and their respective successors and assigns. Each Revolving Credit Agent represents that it has not agreed to any modification of the provisions in the Revolving Credit Loan Documents authorizing it to execute this Agreement and bind the other Revolving Credit Claimholders and each Term Loan Agent represents that it has not agreed to any modification of the provisions in the Term Loan Documents authorizing it to execute this Agreement and bind the other Term Loan Claimholders. Notwithstanding any implication to the contrary in any provision in any other section of the Agreement, neither any Revolving Credit Agent nor any Term Loan Agent makes any representation regarding the validity or binding effect of any of the Revolving Credit

Loan Documents or any of the Term Loan Documents, respectively, or their authority to bind any of the Claimholders through their execution of this Agreement.

8.11 Specific Performance. Each of the Revolving Credit Agents and each of the Term Loan Agents may demand specific performance of this Agreement. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, and each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by any Revolving Credit Agent or any other Revolving Credit Claimholder or by any Term Loan Agent or any other Term Loan Claimholder, as the case may be.

8.12 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.13 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy or electronic image scan transmission (e.g., PDF) shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.14 Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.15 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the Revolving Credit Agents and the other Revolving Credit Claimholders and each of the Term Loan Agents and the other Term Loan Claimholders. Nothing in this Agreement shall impair, as between any of the Borrowers and any of the other Grantors and any of the Revolving Credit Agents and any of the other Revolving Credit Claimholders, or as between any of the Borrower and any of the other Grantors and any of the Term Loan Agents and any of the other Term Loan Claimholders, the obligations of the Borrowers and the other Grantors to pay principal, interest, fees and other amounts as provided in the Revolving Credit Loan Documents and the Term Loan Documents, respectively.

8.16 Provisions Solely to Define Relative Rights. Except with respect to the bailee and agency provisions of Section 5.4, the provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Revolving Credit Agents and the other Revolving Credit Claimholders on the one hand and the Term Loan Agents and the other Term Loan Claimholders on the other hand. None of the Borrowers, any other Grantor or any other creditor thereof shall have any rights hereunder and neither any Borrower nor any other Grantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair the obligations of any Borrower or any other Grantor, which are absolute and unconditional, to pay

or perform the Revolving Credit Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

8.17 Marshalling of Assets. Each Term Loan Agent, on behalf of itself and the other Term Loan Claimholders, hereby waives any and all rights to have the Revolving Credit Priority Collateral, or any part thereof, marshaled upon any foreclosure or other enforcement of any Revolving Credit Agent's Liens on the Revolving Credit Priority Collateral. Each Revolving Credit Agent, on behalf of itself and the other Revolving Credit Claimholders, hereby waives any and all rights to have the Term Loan Priority Collateral, or any part thereof, marshaled upon any foreclosure or other enforcement of any Term Loan Agent's Liens on the Term Loan Priority Collateral.

8.18 Joinder of Additional Grantors. The Grantors party hereto shall cause each Person which, from time to time, after the date hereof, becomes party to any Revolving Credit Security Document or Term Loan Security Document as a "Grantor" or a "Pledgor" (or the equivalent thereof), to execute and deliver to the Agents an Intercreditor Agreement Joinder within five days (or such longer period as may be determined by the Agents in their sole discretion) of the date on which such Person became a party to such Revolving Credit Security Document or Term Loan Security Document and, upon execution and delivery of such Intercreditor Joinder Agreement, such Person shall constitute a "Grantor" for all purposes hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such Intercreditor Agreement Joinder shall not require the consent of any other Grantor or Agent hereunder. The obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

8.19 Agent for Service of Process. Each Grantor hereby irrevocably designates, appoints and empowers CSC Corporation, 1133 Ave of the Americas, Suite 3100, New York, New York, 10036 (telephone no: 212-299-5600) (telecopy no: 212-299-5656) (electronic mail address: agrigora@cscinfo.com and/or jpelleti@cscinfo.com), in the case of any suit, action or proceeding brought in the United States as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of or in connection with this Agreement.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers or representatives as of the date first written above.

REVOLVING CREDIT AGENTS

ABN AMRO BANK N.V., as Revolving Credit Administrative Agent, and in such capacity, as authorized representative of the Revolving Credit Claimholders

By: /s/ James Moyes
Name: James L. Moyes
Title: Managing Director

By: /s/ Jeroen Westrik
Name: Jeroen B. Westrik
Title: Vice President

ABN AMRO BANK N.V., ACTING THROUGH ITS CANADIAN BRANCH, as Revolving Credit Canadian Funding Agent and as Revolving Credit Canadian Administrative Agent, and in such capacity, as authorized
representative of the Revolving Credit Claimholders

By: /s/ Lawrence Maloney
Name: Lawrence J. Maloney
Title: Country Executive — Canada

By: /s/ Michael Quinn
Name: Michael D. Quinn
Title: Vice President

LASALLE BUSINESS CREDIT, LLC, as Revolving Credit Funding Agent and as Revolving Credit Collateral Agent and in such capacity as authorized representative of the Revolving Credit Claimholders

By: /s/ Steve Friedlander
Name: Steve Friedlander
Title: S.V.P.

[NOTICE ADDRESS]

LaSalle Business Credit, LLC
135 South LaSalle Street, Suite 425
Chicago, IL 60603
Attention: Account Officer
Telecopier No. : (312) 904-6450

TERM LOAN AGENTS

UBS AG, STAMFORD BRANCH, as Term Loan Administrative Agent and Term Loan Collateral Agent, and in such capacities, as authorized representative of the Term Loan Claimholders

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ David Julie
Name: David B. Julie
Title: Associate Director

[NOTICE ADDRESS]

UBS AG, Stamford Branch
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Christopher Gomes
Telecopier No.: (203) 719-3180
Email: Christopher.Gomes@UBS.com

[Signature Page to Intercreditor Agreement]

ACKNOWLEDGED AND AGREED TO AS OF THE DATE FIRST WRITTEN ABOVE:

NOVELIS INC., as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

NOVELIS CORPORATION, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS PAE CORPORATION, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS FINANCES USA LLC, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS SOUTH AMERICA HOLDINGS LLC, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

ALUMINUM UPSTREAM HOLDINGS LLC, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

NOVELIS UK LIMITED, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS AG, as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS CAST HOUSE TECHNOLOGY LTD.,
as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

4260848 CANADA INC., as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

4260856 CANADA INC., as a Grantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS NO. 1
LIMITED PARTNERSHIP, as a Grantor
by its general partner,
4260848 Canada Inc.

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS EUROPE HOLDINGS LTD., as a Grantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS SWITZERLAND SA, as a Grantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS TECHNOLOGY AG, as a Grantor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

AV ALUMINUM INC., as a Grantor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

[Signature Page to Intercreditor Agreement]

NOVELIS DEUTSCHLAND GMBH, as a Grantor

By: /s/ Gottfried Weindl
Name: Gottfried Weindl
Title: Managing Director

[Signature Page to Intercreditor Agreement]

NOVELIS DO BRASIL LTDA., as a Grantor

By: /s/ Tadeu Nardocci
Name: Antonio Tadeu Coelho Nardocci
Title: Presidente

By: /s/ Alexandre Almeida
Name: Alexandre M. Almeida
Title: Director Financeiro

[Signature Page to Intercreditor Agreement]

Present when the Common Seal of
NOVELIS ALUMINIUM HOLDING COMPANY,
as a Grantor,
was hereunto affixed in the presence of:

Name: /s/ Andreas Thiele
Title: Duly Appointed Attorney

Name: /s/ Eva Paus-Werdermann
Title: Assistant to Legal Counsel

[Signature Page to Intercreditor Agreement]

EXHIBIT A

FORM OF INTERCREDITOR AGREEMENT JOINDER

The undersigned, __________________, a __________________, hereby agrees to become party as a Grantor under the Intercreditor Agreement, dated as of July 6, 2007 (as Modified from time to time, the "**Intercreditor Agreement**"; capitalized terms used but not otherwise defined herein having the meanings assigned to them in Section 1 of the Intercreditor Agreement), by and among NOVELIS INC., a corporation formed under the Canada Business Corporations Act, NOVELIS CORPORATION, a Texas corporation, NOVELIS PAE CORPORATION, a Delaware corporation, NOVELIS FINANCES USA LLC, a Delaware limited liability company, NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company, ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company, NOVELIS UK LIMITED, a limited liability company incorporated under the laws of England and Wales with registered number 00279596, NOVELIS AG, a stock corporation (AG) organized under the laws of Switzerland, AV ALUMINUM INC., a corporation formed under the Canada Business Corporations Act ("**Holdings**"), the other subsidiaries of Holdings from time to time party hereto as Grantors, ABN AMRO BANK N.V., as administrative agent for the Revolving Credit Lenders, LASALLE BUSINESS CREDIT, LLC, as collateral agent for the Revolving Credit Claimholders and as funding agent, ABN AMRO BANK N.V., CANADA BRANCH, as Canadian administrative agent for the Revolving Credit Claimholders and as Canadian funding agent, UBS AG, STAMFORD BRANCH, as administrative agent for the Term Loan Lenders and as collateral agent for the Term Loan Claimholders, for all purposes thereof on the terms set forth therein, and to be bound by the terms of the Intercreditor Agreement as fully as if the undersigned had executed and delivered the Intercreditor Agreement as of the date thereof.

The provisions of Section 8 of the Intercreditor Agreement will apply with like effect to this Intercreditor Agreement Joinder.

IN WITNESS WHEREOF, the undersigned has caused this Intercreditor Joinder Agreement to be duly executed by its authorized officers or representatives as of the date first written above.

[_____________________________________]

By: ______________________________

Name: ______________________________

Title: ______________________________

Exhibit 10.4

EXHIBIT M-1
TO CREDIT AGREEMENT

SECURITY AGREEMENT

made by

NOVELIS INC.,
as Canadian Borrower,

NOVELIS CORPORATION,
as U.S. Borrower

and

THE GUARANTORS FROM TIME TO TIME PARTY HERETO

in favor of

UBS AG, STAMFORD BRANCH,
as Collateral Agent

Dated as of July 6, 2007

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of July 6, 2007 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement"), made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act (the "Canadian Borrower"), NOVELIS CORPORATION, a Texas corporation (the "U.S. Borrower") and the Guarantors from to time to time party hereto (the "Guarantors"), as pledgors, assignors and debtors (the Canadian Borrower and the U.S. Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors", and each, a "Pledgor"), in favor of UBS AG, STAMFORD BRANCH, in its capacity as collateral agent pursuant to the Credit Agreement (as hereinafter defined) (in such capacity and together with any successors in such capacity, the "Collateral Agent").

RECITALS:

A. The Canadian Borrower, the U.S. Borrower, AV Aluminum Inc., a corporation formed under the Canada Business Corporations Act, and the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto, UBS AG, Stamford Branch, as Administrative Agent and as Collateral Agent, and the other parties thereto have, in connection with the execution and delivery of this Agreement, entered into that certain Credit Agreement, dated as of July 6, 2007 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; which term shall also include and refer to any increase in the amount of indebtedness under the Credit Agreement and any refinancing or replacement of the Credit Agreement (whether under a bank facility, securities offering or otherwise) or one or more successor or replacement facilities whether or not with a different group of agents or lenders (whether under a bank facility, securities offering or otherwise) and whether or not with different obligors upon the Administrative Agent's acknowledgment of the termination of the predecessor Credit Agreement).

B. Each Guarantor has, pursuant to the Credit Agreement, unconditionally guaranteed the Secured Obligations.

C. Each Guarantor will receive substantial benefits from the execution, delivery and performance of the obligations under the Credit Agreement and the other Loan Documents and each is, therefore, willing to enter into this Agreement.

D. This Agreement is given by each Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations.

F. It is a condition to (i) the obligations of the Lenders to make the Loans under the Credit Agreement and (ii) the performance of the obligations of the Secured Parties under Hedging Agreements that constitute Secured Obligations that each Pledgor execute and deliver the applicable Loan Documents, including this Agreement.

AGREEMENT:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC; provided that in any event, the following terms shall have the meanings assigned to them in the UCC:

"Accounts"; "Bank"; "Chattel Paper"; "Commercial Tort Claim"; "Commodity Account"; "Commodity Contract"; "Commodity Intermediary"; "Documents"; "Electronic Chattel Paper"; "Entitlement Order"; "Equipment"; "Financial Asset"; "Fixtures"; "Goods", "Inventory"; "Letter-of-Credit Rights"; "Letters of Credit"; "Money"; "Payment Intangibles"; "Proceeds"; " Records"; "Securities Account"; "Securities Entitlement"; "Securities Intermediary"; "Supporting Obligations"; and "Tangible Chattel Paper."

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement. Sections 1.03, 1.04 and 1.05 of the Credit Agreement shall apply herein *mutatis mutandis*.

(c) The following terms shall have the following meanings:

"Account Debtor" shall mean each person who is obligated on a Receivable or Supporting Obligation related thereto.

"Agreement" shall have the meaning assigned to such term in the Preamble hereof.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereinafter in effect, or any successor statute.

"Bailee Letter" shall be an agreement in form substantially similar to Exhibit 7 hereto or in such other form and substance reasonably satisfactory to the Collateral Agent.

"Canadian Borrower" shall have the meaning assigned to such term in the Preamble hereof.

"Collateral Agent" shall have the meaning assigned to such term in the Preamble hereof.

"Collateral Report" means any certificate, report or other document delivered by any Pledgor to any Agent with respect to the Pledged Collateral pursuant to any Loan Document.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Pledged Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"Commodity Account Control Agreement" shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Commodity Account.

"Contracts" shall mean, collectively, with respect to each Pledgor, the Acquisition Documents, all sale, service, performance, equipment or property lease contracts, licenses, agreements and grants and all other contracts, licenses, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Pledgor and any third party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control" shall mean (i) in the case of each Deposit Account, "control", as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, "control", as such term is defined in Section 8-106 of the UCC, and (iii) in the case of any Commodity Contract, "control", as such term is defined in Section 9-106 of the UCC.

"Control Agreements" shall mean, collectively, the Deposit Account Control Agreement, the Securities Account Control Agreement and the Commodity Account Control Agreement.

"Copyrights" shall mean, collectively, all copyrights (whether statutory or common law, whether established, registered or recorded in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all mask works (as such term is defined in 17 U.S.C. Section 901, *et seq.*), together with any and all (i) copyright registrations and applications, (ii) rights and privileges arising under applicable law with respect to such copyrights, (iii) renewals and extensions thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"Copyright Security Agreement" shall mean an agreement substantially in the form of Exhibit 4 hereto.

"Credit Agreement" shall have the meaning assigned to such term in Recital A hereof.

"Deposit Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Deposit Account.

"Deposit Accounts" shall mean, collectively, with respect to each Pledgor, (i) all "deposit accounts" as such term is defined in the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Discharge of Revolving Credit Obligations" shall have the meaning assigned to such term in the Intercreditor Agreement.

"Distributions" shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

"Excluded Commodities Accounts" shall mean Commodities Accounts with Investment Property or other property held in or credited to such Commodities Accounts with an aggregate value of less than $1,000,000 at any time with respect to any particular Commodities Account and less than $2,500,000 at any time in the aggregate for all such Commodities Accounts.

"Excluded Deposit Accounts" shall mean (i) Deposit Accounts used solely to fund payroll, payroll taxes and similar employment taxes or employee benefits in the ordinary course of business and (ii) Deposit Accounts with an amount on deposit of less than $1,000,000 at any time with respect to any particular Deposit Account and less than $2,500,000 at any time in the aggregate for all such Deposit Accounts; provided that notwithstanding the foregoing, no 525 Collateral Account or Net Cash Proceeds Account shall be an Excluded Deposit Account.

"Excluded Securities Accounts" shall mean (i) Securities Accounts with Investment Property or other property held in or credited to such Securities Accounts with an aggregate value of less than $10,000,000 at any time in the aggregate for all such Securities Accounts and (ii) Securities Accounts with property held in or credited to such Securities Accounts consisting solely of the Equity Interests of Aluminum Company of Malaysia Berhard (Malaysia).

"Excluded Property" shall mean

(a) any permit or license issued by a Governmental Authority to any Pledgor or any agreement to which any Pledgor is a party, in each case, only to the extent and for so long as the terms of such permit, license or agreement or any Requirement of Law applicable thereto, validly prohibit the creation by such Pledgor of a security interest in such permit, license or agreement in favor of the Collateral Agent (after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law (including the Bankruptcy Code) or principles of equity),

(b) any "Venture Interests" as defined in the Joint Venture Agreement, dated January 18, 1985, between Arco Logan Inc. and Alcan Aluminum Corporation, as such Joint Venture Agreement may have been amended prior to January 7, 2005, and any Equity Interest in any other joint ventures to the extent the terms of the applicable joint venture agreement validly prohibit the creation by the applicable Pledgor of a security interest in such other Equity Interests in favor of the Collateral Agent, but only to the extent and for so long as (i) the terms of the applicable agreement prohibit the creation by the applicable Pledgor of a security interest in such "Venture Interests" or other Equity Interests in favor of the Collateral Agent (after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law (including the Bankruptcy Code) or principles of equity) and (ii) such prohibition is permitted by Section 6.19 of the Credit Agreement,

(c) any property owned by any Pledgor on the date hereof or hereafter acquired that is subject to a Lien securing a Purchase Money Obligation or Capital Lease Obligation permitted

to be incurred pursuant to the provisions of the Credit Agreement if the contract or other agreement in which such Lien is granted (or the documentation providing for such Purchase Money Obligation or Capital Lease Obligation) validly prohibits the creation of any other Lien on such property,

(d) any United States trademark or service mark application filed on the basis of a Pledgor's intent-to-use such mark, in each case, unless and until evidence of the use of such trademark in interstate commerce is submitted to and accepted by the United States Patent and Trademark Office, and

(e) any Equity Interests of Novelis de Mexico, S.A. de C.V. so long as (i) such Subsidiary is an Excluded Collateral Subsidiary and (ii) the pledge of or grant of a security interest in the Equity Interests of such Subsidiary pursuant hereto would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would or could reasonably be expected to trigger an increase in the net income of a United States shareholder of such Subsidiary pursuant to Section 951 (or a successor provision) of the Code, as reasonably determined by the Collateral Agent; provided, however, that Excluded Property shall not include (x) Voting Stock of such Subsidiary representing not more than 65% of the total voting power of all outstanding Voting Stock of such Subsidiary and (y) 100% of the Equity Interests not constituting Voting Stock of such Subsidiary, except that any such Equity Interests constituting "stock entitled to vote" within the meaning of Treasury Regulation Section 1.956-2(c)(2) shall be treated as Voting Stock for purposes of this clause (e);

provided, however, that Excluded Property shall not include any Proceeds, substitutions or replacements of any Excluded Property referred to in clauses (a) through (e) (unless such Proceeds, substitutions or replacements would constitute Excluded Property referred to in clauses (a), (b), (c), (d) or (e)).

"General Intangibles" shall mean, collectively, with respect to each Pledgor, all "general intangibles", as such term is defined in the UCC, of such Pledgor and, in any event, shall include (i) all of such Pledgor's rights, title and interest in, to and under all Contracts and insurance policies (including all rights and remedies relating to monetary damages, including indemnification rights and remedies, and claims for damages or other relief pursuant to or in respect of any Contract), (ii) all know-how and warranties relating to any of the Pledged Collateral or the Mortgaged Property, (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other person and the benefits of any and all collateral or other security given by any other person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Pledged Collateral or any of the Mortgaged Property, (v) all intellectual property, (vi) all lists, books, records, correspondence, ledgers, printouts, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral or any of the Mortgaged Property, including all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like, field repair data, accounting information pertaining to such Pledgor's operations or any of the Pledged Collateral or any of the Mortgaged Property and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vii) all licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, now or hereafter acquired or held by such Pledgor, including building permits, certificates of occupancy, environmental certificates, industrial permits or

licenses and certificates of operation and (viii) all rights to reserves, deferred payments, deposits, refunds, indemnification of claims and claims for tax or other refunds against any Governmental Authority.

"Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Immaterial Intellectual Property Collateral" shall mean Intellectual Property Collateral that is not Material Intellectual Property Collateral.

"Instruments" shall mean, collectively, with respect to each Pledgor, all "instruments", as such term is defined in Article 9, rather than Article 3, of the UCC, and shall include all promissory notes, drafts, bills of exchange or acceptances.

"Intellectual Property" shall mean, collectively, Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights.

"Intellectual Property Collateral" shall mean, collectively, the Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights of the Pledgors, in each case, other than any Excluded Property.

"Intellectual Property Licenses" shall mean, collectively, with respect to each Pledgor, all license agreements, distribution agreements and covenants not to sue (regardless of whether such agreements and covenants are contained within an agreement that also covers other matters, such as development or consulting) with respect to any Patent, Trademark, Copyright or Trade Secrets and Other Proprietary Rights, whether such Pledgor is a licensor or licensee, distributor or distributee under any such agreement, together with any and all (i) amendments, renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements, breaches or violations thereof and (iv) other rights to use, exploit or practice any or all Patents, Trademarks, Copyrights or Trade Secrets and Other Proprietary Rights.

"Intercompany Notes" shall mean, with respect to each Pledgor, all intercompany notes described in Schedule 11 to the Perfection Certificate and intercompany notes hereafter acquired by such Pledgor and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement, dated as of the date hereof, by and among the Pledgors and the other Companies party thereto, the Administrative Agent, the Collateral Agent, and the Revolving Credit Agents, and certain other persons which may be or become parties thereto or become bound thereto from time to time, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Investment Property" shall mean a security, whether certificated or uncertificated, Security Entitlement, Securities Account, Commodity Contract or Commodity Account, excluding, however, the Securities Collateral.

"Joinder Agreement" shall mean an agreement substantially in the form of Exhibit 3 hereto.

"Material Intellectual Property Collateral" shall mean any Intellectual Property Collateral that is material (i) to the use and operation of any material Pledged Collateral or Mortgaged Property or (ii) to the business, results of operations, prospects or condition, financial or otherwise, of any Pledgor.

"Mortgaged Property" shall have the meaning assigned to such term in the Mortgages.

"Patents" shall mean, collectively, all patents, patent applications, certificates of inventions, industrial designs and rights corresponding thereto throughout the world (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to any of the foregoing, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements or other violations thereof.

"Patent Security Agreement" shall mean an agreement substantially in the form of Exhibit 5 hereto.

"Perfection Certificate" shall mean, individually and collectively, as the context may require, each perfection certificate dated July 6, 2007, executed and delivered by each Pledgor in favor of the Agents, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Collateral Agent) executed and delivered by the applicable Pledgor in favor of the Administrative Agent and Collateral Agent for the benefit of the Secured Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with Section 3.5 hereof, in each case, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

"Permitted Encumbrances" shall mean Permitted Liens of the type described in Section 6.02(a), (b), (c), (d), (f), (g), (h), (i), (j), (k) (to the extent provided in the Intercreditor Agreement), (n), (o), (q), (r), (s) and (t) of the Credit Agreement which have priority over the Liens granted pursuant to this Agreement (and in each case, subject to the proviso to Section 6.02 of the Credit Agreement).

"person" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Pledge Amendment" shall have the meaning assigned to such term in Section 5.1 hereof.

"Pledged Collateral" shall have the meaning assigned to such term in Section 2.1 hereof.

"Pledged Securities" shall mean, collectively, with respect to each Pledgor, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 10 to the Perfection Certificate as being owned by such Pledgor and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any

issuer, which Equity Interests are hereafter acquired by such Pledgor (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Pledgor in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests.

"Pledgor" shall have the meaning assigned to such term in the Preamble hereof.

"Receivables" shall mean all (i) Accounts, (ii) Chattel Paper, (iii) Payment Intangibles, (iv) General Intangibles, (v) Instruments and (vi) all other rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, regardless of how classified under the UCC together with all of Pledgors' rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Records relating thereto.

"Revolving Credit Agents" shall have the meaning assigned to such term in the Intercreditor Agreement.

"Revolving Credit Security Documents" shall have the meaning assigned to such term in the Intercreditor Agreement

"Securities Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Securities Account.

"Securities Collateral" shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

"Trade Secrets and Other Proprietary Rights" shall mean, collectively, all trade secrets, proprietary information and data and databases, know-how and processes, designs, inventions, technology and software and any other intangible rights to the extent not covered by the definitions of Patents, Trademarks and Copyrights; whether registered or unregistered, whether statutory or common law, and whether established or registered in the United States or any other country or any political subdivision thereof, including, without limitation, any of the foregoing listed on Schedule 12(a) to the Perfection Certificate, together with any and all (i) registrations and applications for the foregoing, (ii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iii) reissues, continuations, extensions, renewals and divisions thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements and other violations thereof.

"Trademarks" shall mean, collectively, all trademarks (including service marks and certification marks), slogans, logos, certification marks, trade dress, Internet Domain Names, corporate names and trade names, whether registered or unregistered (whether statutory or common law and

whether established or registered in the United States or any other country or any political subdivision thereof), together with any and all (i) registrations and applications for any of the foregoing, (ii) goodwill connected with the use thereof and symbolized thereby, (iii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iv) reissues, continuations, extensions and renewals thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements, dilutions or other violations thereof.

"Trademark Security Agreement" shall mean an agreement substantially in the form of Exhibit 6 hereto.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"U.S. Borrower" shall have the meaning assigned to such term in the Preamble hereof.

SECTION 1.2. Interpretation. The rules of interpretation specified in the Credit Agreement shall be applicable to this Agreement.

SECTION 1.3. Resolution of Drafting Ambiguities. Each Pledgor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery hereof, that it and its counsel reviewed and participated in the preparation and negotiation hereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Collateral Agent) shall not be employed in the interpretation hereof.

SECTION 1.4. Perfection Certificate. The Collateral Agent and each Secured Party agree that the Perfection Certificate and all descriptions of Pledged Collateral, schedules, amendments and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1. Grant of Security Interest. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral"):

(i) all Accounts;

(ii) all Equipment, Goods, Inventory and Fixtures;

(iii) all Documents, Instruments and Chattel Paper;

(iv) all Letters of Credit and Letter-of-Credit Rights;

(v) all Securities Collateral;

(vi) all Investment Property;

(vii) all Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights;

(viii) the Commercial Tort Claims described on Schedule 13 to the Perfection Certificate;

(ix) all General Intangibles;

(x) all Money and all Deposit Accounts;

(xi) all Supporting Obligations;

(xii) all books and records relating to the Pledged Collateral; and

(xiii) to the extent not covered by clauses (i) through (xii) of this sentence, all other personal property of such Pledgor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiii) above, the security interest created by this Agreement shall not extend to, and the term "Pledged Collateral" shall not include, any Excluded Property and (x) the Pledgors shall, concurrently with any delivery of financial statements under Section 5.01(a) of the Credit Agreement and upon the request of the Collateral Agent at any time an Event of Default has occurred and is continuing, give written notice to the Collateral Agent identifying in reasonable detail the Excluded Property and shall provide to the Collateral Agent such information regarding the Excluded Property as the Collateral Agent may reasonably request (including written notice identifying in reasonable detail the Excluded Property) and (y) from and after the Closing Date, no Pledgor shall permit to become effective in any document creating, governing or providing for any permit, license or agreement a provision that would prohibit the creation of a Lien on such permit, license or agreement in favor of the Collateral Agent unless such prohibition is permitted under Section 6.19 of the Credit Agreement.

SECTION 2.2. Filings. (a) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any financing

statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Pledged Collateral, including (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, (ii) any financing or continuation statements or other documents without the signature of such Pledgor where permitted by law, including the filing of a financing statement describing the Pledged Collateral as "all assets now owned or hereafter acquired by the debtor or in which debtor otherwise has rights" or a similar description and (iii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Pledged Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request by the Collateral Agent.

(a) Each Pledgor hereby ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any financing statements relating to the Pledged Collateral if filed prior to the date hereof.

(b) Each Pledgor hereby further authorizes the Collateral Agent to execute and/or submit filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country), as applicable, including this Agreement, the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement, or other documents and to take such other actions as may be required under applicable law for the purpose of perfecting, recording, confirming, continuing, enforcing or protecting the security interest granted by such Pledgor hereunder, without the signature of such Pledgor, and naming such Pledgor, as debtor, and the Collateral Agent, as secured party.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF PLEDGED COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Each Pledgor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral (other than Excluded Property and any certificates, agreements or instruments representing or evidencing Equity Interests in an Excluded Collateral Subsidiary which is not a Loan Party) in existence on the date hereof have been delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that the Collateral Agent has a perfected First Priority security interest therein. Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral acquired by such Pledgor after the date hereof shall promptly (but in any event within thirty days after receipt thereof by such Pledgor or such longer period as may be determined by the Collateral Agent in its sole discretion) be delivered to and held by or on behalf of the Collateral Agent pursuant hereto (provided that notwithstanding the foregoing, no such certificates, agreements or instruments representing or evidencing Securities Collateral shall be required to be so delivered to the extent such Securities Collateral constitutes Excluded Property or any certificates, agreements or instruments representing or evidencing Equity Interests in an Excluded Collateral Subsidiary which is not a Loan Party, but shall be so delivered promptly (but in any event within thirty days) following the date such Securities Collateral

ceases to constitute Excluded Property or such Subsidiary ceases to qualify as an Excluded Collateral Subsidiary or otherwise becomes, or is required to become, a Loan Party pursuant to the terms of the Credit Agreement). All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Pledgor represents and warrants that the Collateral Agent has a perfected First Priority security interest in all uncertificated Pledged Securities (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) pledged by it hereunder that are in existence on the date hereof. Each Pledgor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, (i) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto or such other form that is reasonably satisfactory to the Collateral Agent, (ii) if necessary or desirable to perfect a security interest in such Pledged Securities, cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) the issuer of such uncertificated Pledged Securities to enter into a control agreement with the Collateral Agent and such Pledgor reasonably satisfactory to the Collateral Agent pursuant to which such issuer shall agree to comply with instructions originated by the Collateral Agent without further consent by such Pledgor, and cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) such pledge to be recorded on the equityholder register or the books of the issuer, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Collateral Agent the right to transfer such Pledged Securities under the terms hereof, (iii) upon request by the Collateral Agent, provide to the Collateral Agent an opinion of counsel, in form and substance reasonably satisfactory to the Collateral Agent, confirming such pledge and perfection thereof, and (iv) after the occurrence and during the continuance of any Event of Default, upon request by the Collateral Agent, (A) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) the Organizational Documents of each such issuer that is a Subsidiary of a Pledgor to be amended to provide that such Pledged Securities shall be treated as “securities” for purposes of the UCC and (B) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) such Pledged Securities to become certificated and delivered to the Collateral Agent in accordance with the provisions of Section 3.1.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Pledgor represents and warrants that all financing statements, agreements, instruments and other documents necessary to perfect the security interest granted by it to the Collateral

Agent in respect of the Pledged Collateral (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) have been delivered to the Collateral Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule 7 to the Perfection Certificate. Each Pledgor agrees that at the sole cost and expense of the Pledgors, such Pledgor will maintain the security interest created by this Agreement in the Pledged Collateral (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) as a perfected First Priority security interest subject only to Permitted Collateral Liens.

SECTION 3.4. Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Pledged Collateral, each Pledgor represents and warrants (as to itself) as follows and agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) Instruments and Tangible Chattel Paper. As of the date hereof, no amounts payable under or in connection with any of the Pledged Collateral are evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Schedule 11 to the Perfection Certificate. Each Instrument and each item of Tangible Chattel Paper listed in Schedule 11 to the Perfection Certificate has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount then payable under or in connection with any of the Pledged Collateral shall be evidenced by any Instrument or Tangible Chattel Paper, and such amount, together with all amounts payable evidenced by any Instrument or Tangible Chattel Paper not previously delivered to the Collateral Agent exceeds $1,000,000 in the aggregate for all Pledgors, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall promptly (but in any event within thirty days after receipt thereof) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) Deposit Accounts. As of the date hereof, no Pledgor has any Deposit Accounts other than the accounts listed in Schedule 14 to the Perfection Certificate. The Collateral Agent has a First Priority security interest in each such Deposit Account (other than Excluded Deposit Accounts), which security interest is (or, with respect to any such Deposit Accounts identified on Schedule 5.16 to the Credit Agreement, after completion of the actions with respect to such Deposit Accounts specified on such Schedule, will be) perfected by Control. No Pledgor shall hereafter establish and maintain any Deposit Account unless (1) it shall have given the Collateral Agent 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice of its intention to establish such new Deposit Account with a Bank, (2) such Bank shall be reasonably acceptable to the Collateral Agent and (3) such Bank and such Pledgor shall have duly executed and delivered to the Collateral Agent a Deposit Account Control Agreement with respect to such Deposit Account (other than Excluded Deposit

Accounts). The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any instructions directing the disposition of funds from time to time credited to any Deposit Account or withhold any withdrawal rights from such Pledgor with respect to funds from time to time credited to any Deposit Account unless an Event of Default has occurred and is continuing. The two immediately preceding sentences shall not apply to any other Deposit Accounts for which the Collateral Agent is the Bank. No Pledgor shall grant Control of any Deposit Account to any person other than the Collateral Agent and, subject to the terms of the Intercreditor Agreement, Revolving Credit Agents.

(c) Securities Accounts and Commodity Accounts. (i) As of the date hereof, no Pledgor has any Securities Accounts or Commodity Accounts other than those listed in Schedule 14 to the Perfection Certificate. The Collateral Agent has a First Priority security interest in each such Securities Account and Commodity Account (other than Excluded Securities Accounts and Excluded Commodities Accounts), which security interest is perfected by Control. No Pledgor shall hereafter establish and maintain any Securities Account or Commodity Account with any Securities Intermediary or Commodity Intermediary unless (1) it shall have given the Collateral Agent 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice of its intention to establish such new Securities Account or Commodity Account with such Securities Intermediary or Commodity Intermediary, (2) such Securities Intermediary or Commodity Intermediary shall be reasonably acceptable to the Collateral Agent and (3) such Securities Intermediary or Commodity Intermediary, as the case may be, and such Pledgor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account (other than Excluded Securities Accounts and Excluded Commodities Accounts), as the case may be. Each Pledgor shall accept any cash and Investment Property in trust for the benefit of the Collateral Agent and within five days of actual receipt thereof, deposit any and all cash and Investment Property received by it into a Deposit Account or Securities Account. The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any Entitlement Orders or instructions or directions to any issuer of uncertificated securities, Securities Intermediary or Commodity Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Pledgor, unless an Event of Default has occurred and is continuing or, after giving effect to any such investment and withdrawal rights, would occur. The two immediately preceding sentences shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary. No Pledgor shall grant Control over any Investment Property to any person other than the Collateral Agent and, subject to the terms of the Intercreditor Agreement, Revolving Credit Agents.

(i) As between the Collateral Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a Security Entitlement or deposit by, or subject to the Control of, the Collateral Agent, a Securities Intermediary, a Commodity Intermediary, any Pledgor or any other person.

(d) Electronic Chattel Paper and Transferable Records. As of the date hereof, no amount under or in connection with any of the Pledged Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such Electronic

Chattel Paper and transferable records listed in Schedule 11(a) to the Perfection Certificate. If any amount payable under or in connection with any of the Pledged Collateral shall be evidenced by any Electronic Chattel Paper or any transferable record, the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control of such Electronic Chattel Paper under Section 9-105 of the UCC or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The requirement in the preceding sentence shall not apply to the extent that such amount, together with all amounts payable evidenced by Electronic Chattel Paper or any transferable record in which the Collateral Agent has not been vested control within the meaning of the statutes described in the immediately preceding sentence, does not exceed $1,000,000 in the aggregate for all Pledgors. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(e) Letter-of-Credit Rights. If any Pledgor is at any time a beneficiary under a Letter of Credit now or hereafter issued, such Pledgor shall promptly notify the Collateral Agent thereof and such Pledgor shall, at the request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either use commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such Letter of Credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the Letter of Credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such Letter of Credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the Letter of Credit are to be applied as provided in the Credit Agreement. The actions in the preceding sentence shall not be required to the extent that the amount of any such Letter of Credit, together with the aggregate amount of all other Letters of Credit for which the actions described above in clause (i) and (ii) have not been taken, does not exceed $1,000,000 in the aggregate for all Pledgors.

(f) Commercial Tort Claims. As of the date hereof, each Pledgor hereby represents and warrants that it holds no Commercial Tort Claims other than those listed in Schedule 13 to the Perfection Certificate. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim, such Pledgor shall promptly notify the Collateral Agent in writing signed by such Pledgor of the brief details thereof and grant to the Collateral Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent. The requirement in the preceding sentence shall not apply to the extent that the amount of such Commercial Tort Claim, together with the amount of all other Commercial Tort Claims held by any Pledgor in which the Collateral Agent does not have a security interest, does not exceed $1,000,000 in the aggregate for all Pledgors.

(g) Landlord's Access Agreements/Bailee Letters. If and to the extent reasonably requested by the Collateral Agent, each Pledgor shall use its commercially reasonable efforts to obtain as soon as practicable after such request with respect to each location where such Pledgor maintains Pledged Collateral, a Bailee Letter and/or Landlord Access Agreement, as applicable, and use commercially reasonable efforts to obtain a Bailee Letter, Landlord Access Agreement and/or landlord's lien waiver, as applicable, from all such bailees and landlords, as applicable, who from time to time have possession of any Pledged Collateral. A waiver of bailee's lien shall not be required if the value of the Pledged Collateral held by such bailee is less than $100,000, provided that the aggregate value of the Pledged Collateral held by all bailees who have not delivered a Bailee Letter is less than $1,000,000 in the aggregate.

SECTION 3.5. Joinder of Additional Guarantors. The Pledgors shall cause each Subsidiary of Holdings which, from time to time, after the date hereof shall be required to become a party to this Agreement or to otherwise pledge any assets to the Collateral Agent for the benefit of the Secured Parties pursuant to the provisions of the Credit Agreement, (a) to execute and deliver to the Collateral Agent (i) a Joinder Agreement substantially in the form of Exhibit 3 hereto within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) of the date on which it became a Subsidiary, ceased to be an Excluded Collateral Subsidiary or was required to become a Loan Party by operation of the provisions of Section 5.11(d) of the Credit Agreement, as the case may be, and (ii) a Perfection Certificate, in each case, within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) of the date on which it became a Subsidiary, ceased to be an Excluded Collateral Subsidiary or was required to become a Loan Party by operation of the provisions of Section 5.11(d) of the Credit Agreement, as the case may be, and (b) in the case of a Subsidiary organized outside of the United States, to execute and deliver to the Collateral Agent such additional documentation as the Collateral Agent shall reasonably request and, in each case with respect to clauses (a) and (b) above, upon such execution and delivery, such Subsidiary shall constitute a "Guarantor" and a "Pledgor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Pledgor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Pledgor as a party to this Agreement.

SECTION 3.6. Supplements; Further Assurances. Each Pledgor shall take such further actions, and execute and/or deliver to the Collateral Agent such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Collateral Agent may in its reasonable judgment deem necessary or appropriate in order to create, perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm the validity, enforceability and priority of the Collateral Agent's security interest in the Pledged Collateral or permit the Collateral Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral, including the filing of financing statements, continuation statements and other documents (including this Agreement) under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Control Agreements, all in form and substance reasonably satisfactory to the Collateral Agent and in such offices (including the United States Patent and Trademark Office and the United States Copyright Office) wherever required by law to perfect, continue and maintain the validity, enforceability and priority of the security interest in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties, with respect to the Pledged Collateral. Without limiting the generality of the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the

Collateral Agent from time to time upon reasonable request by the Collateral Agent such lists, schedules, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Collateral Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Collateral Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Collateral Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1. Title. Except for the security interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and Permitted Liens, such Pledgor owns and has rights and, as to Pledged Collateral acquired by it from time to time after the date hereof, will own and have rights in each item of Pledged Collateral pledged by it hereunder, free and clear of any and all Liens or claims of others. In addition, no Liens or claims exist on the Securities Collateral, other than Permitted Liens that are permitted to attach to Securities Collateral pursuant to the provisions of Section 6.02 of the Credit Agreement.

SECTION 4.2. Validity of Security Interest. The security interest in and Lien on the Pledged Collateral granted to the Collateral Agent for the benefit of the Secured Parties hereunder constitutes (a) a legal and valid security interest in all the Pledged Collateral securing the payment and performance of the Secured Obligations, and (b) subject to the filings and other actions described in Schedule 6 to the Perfection Certificate (to the extent required to be listed on the schedules to the Perfection Certificate as of the date this representation is made or deemed made), a perfected security interest in all the Pledged Collateral. The security interest and Lien granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement in and on the Pledged Collateral will at all times constitute a perfected, continuing First Priority security interest therein.

SECTION 4.3. Defense of Claims; Transferability of Pledged Collateral. Except to the extent otherwise permitted by Section 5.05 of the Credit Agreement, each Pledgor shall, at its own cost and expense, defend title to the Pledged Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Collateral Agent and the priority thereof against all claims and demands of all persons, at its own cost and expense, at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party other than Permitted Encumbrances. Except as permitted by the Credit Agreement, there is no agreement, order, judgment or decree, and no Pledgor shall enter into any agreement or take any other action, that would restrict the transferability of any of the Pledged Collateral or otherwise impair or conflict with such Pledgor's obligations or the rights of the Collateral Agent hereunder.

SECTION 4.4. Other Financing Statements. It has not filed, nor authorized any third party to file, any valid or effective financing statement (or similar statement, instrument of registration or public notice under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral, except such as have been filed in favor of the Collateral Agent pursuant to this Agreement or in favor of any holder of a Permitted Encumbrance with respect to such Permitted Encumbrance or financing statements or public notices relating to the termination statements listed on Schedule 7 to the Perfection Certificate. No Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement, instrument of registration or public notice under the law of any jurisdiction) relating to any Pledged Collateral, except financing statements and other statements and instruments filed or to be filed in respect of and covering the security interests granted by such Pledgor to the holders of the Permitted Encumbrances.

SECTION 4.5. Inventory and Equipment.

(a) Except as expressly permitted by Section 5.13 of the Credit Agreement, it shall not move any Equipment or Inventory (other than Inventory in transit from a supplier or vendor to a permitted location or between permitted locations or Inventory in transit to a customer, and Inventory having Dollar Equivalent fair market value not in excess of $10,000,000 (in the aggregate for all Loan Parties) located at locations not identified on the relevant Schedules to the Perfection Certificate) to any location, other than any location that is listed in the relevant Schedules to the Perfection Certificate, unless (i) it shall have given the Collateral Agent not less than 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice (in the form of an Officers' Certificate) of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may request and (ii) to the extent applicable with respect to such new location, such Pledgor shall have complied with Section 3.4(g); provided that notwithstanding the foregoing, in no event shall Equipment or Inventory be moved to any location outside of the continental United States except in connection with an Asset Sale expressly permitted by the Credit Agreement.

(b) With respect to any Inventory scheduled or listed on the most recent Collateral Report, except as disclosed therein: (i) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location not set forth in the Perfection Certificate except as permitted by Section 4.5(a), (ii) the Pledgors have good, indefeasible and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Collateral Agent, for the benefit of the Secured Parties, and except for other Liens permitted under Section 6.02 of the Credit Agreement, (iii) such Inventory is not subject to any Intellectual Property Licenses with any third parties that would, upon sale or other disposition of such Inventory by the Collateral Agent in accordance with the terms hereof, infringe or otherwise violate the Intellectual Property of such third-party licensor, violate any Contracts with such third-party licensor, or cause the Collateral Agent to incur any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current Intellectual Property Licenses related thereto, (iv) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder and (v) the completion of manufacture, sale or other disposition of such Inventory by the Collateral Agent upon the occurrence and during the continuance of any Event of Default shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which any Pledgor is a party or to which such Inventory is subject.

SECTION 4.6. Due Authorization and Issuance. All of the Pledged Securities existing on the date hereof have been, and to the extent any Pledged Securities are hereafter issued, such Pledged Securities will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable to the extent applicable. There is no amount or other obligation owing by any Pledgor to any issuer of the Pledged Securities in exchange for or in connection with the issuance of the Pledged Securities or any Pledgor's status as a partner or a member of any issuer of the Pledged Securities.

SECTION 4.7. Consents, etc. In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other person therefor, then, upon the reasonable request of the Collateral Agent, such Pledgor agrees to use its best efforts to assist and aid the Collateral Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.8. Pledged Collateral. All information set forth herein, including the schedules hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party, including the Perfection Certificate and the schedules thereto, in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects. The Pledged Collateral described on the schedules to the Perfection Certificate constitutes all of the property of such type of Pledged Collateral owned or held by the Pledgors (other than Immaterial Intellectual Property Collateral).

SECTION 4.9. Insurance. In the event that the proceeds of any insurance claim are paid to any Pledgor after the Collateral Agent has exercised its right to foreclose after an Event of Default, such Net Cash Proceeds shall be held in trust for the benefit of the Collateral Agent and immediately after receipt thereof shall be paid to the Collateral Agent for application in accordance with the Credit Agreement.

ARTICLE V

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 5.1. Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any person, accept the same in trust for the benefit of the Collateral Agent and promptly (but in any event within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) after receipt thereof) deliver to the Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 hereto (each, a "Pledge Amendment"), and to the extent required thereunder, the certificates and other documents required under Section 3.1 and Section 3.2 hereof in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Pledgor hereby authorizes the Collateral Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Collateral Agent shall for all purposes hereunder be considered Pledged Collateral.

SECTION 5.2. Voting Rights; Distributions; etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other document evidencing the Secured Obligations; provided, however, that no Pledgor shall in any event exercise such rights in any manner which could reasonably be expected to have a Material Adverse Effect.

(ii) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent not prohibited by the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to the Collateral Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be promptly (but in any event within five days (or such longer period as may be determined by the Collateral Agent in its sole discretion) after receipt thereof) delivered to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) So long as no Event of Default shall have occurred and be continuing, the Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 5.2(a)(i) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof.

(c) Upon the occurrence and during the continuance of any Event of Default and notice by the Collateral Agent:

(i) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.2(a)(i) hereof shall immediately cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof shall immediately cease and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

(d) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may request in order to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.2(c)(i) hereof and to receive all Distributions which it may be entitled to receive under Section 5.2(c)(ii) hereof.

(e) All Distributions which are received by any Pledgor contrary to the provisions of Section 5.2(c)(ii) hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

SECTION 5.3. Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation in any material respect of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation in any material respect thereunder. No Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organizational Documents and certificates representing such Pledged Securities that have been delivered to the Collateral Agent) which evidence any Pledged Securities of such Pledgor.

SECTION 5.4. Organizational Documents. Each Pledgor has delivered to the Collateral Agent true, correct and complete copies of its Organizational Documents. The Organizational Documents of each Pledgor are in full force and effect, have not as of the date hereof been amended or modified except as disclosed to the Collateral Agent, and there is no existing default by any party thereunder or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to the Collateral Agent a copy of any notice of default given or received by it under any Organizational Document within ten days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Organizational Document or make any amendment or modification to any Organizational Document except as expressly permitted by the terms of the Credit Agreement.

SECTION 5.5. Certain Agreements of Pledgors As Issuers and Holders of Equity Interests.

(a) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Pledgor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Organizational Document to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 6.1. Grant of Intellectual Property License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article IX hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent an irrevocable, non-exclusive license and, to the extent permitted under Intellectual Property Licenses granting such Pledgor rights in Intellectual Property, sublicense (in each case, exercisable without payment of royalties or other compensation to such Pledgor) to use, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located; provided that the quality of any products in connection with which the Trademarks are used will not be materially inferior to the quality of such products prior to such Event of Default. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 6.2. Protection and Maintenance of Intellectual Property Collateral. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Collateral Agent of any adverse determination in any proceeding (not including office or other matters in the ordinary course of prosecution before the United States Patent and Trademark Office or the United States Copyright Office or any foreign counterpart) or the institution of any proceeding in any federal, state or local court or administrative body or in the United States Patent and Trademark Office or the United States Copyright Office regarding any Material Intellectual Property Collateral, such Pledgor’s right to register such Material Intellectual Property Collateral or its right to keep and maintain such Material Intellectual Property Collateral in full force and effect, (ii) maintain all Material Intellectual Property Collateral as presently used and operated, except as shall be consistent with commercially reasonable business judgment, (iii) not permit to lapse or become abandoned any Material Intellectual Property Collateral, (iv) take action to prosecute infringers and violators of Material Intellectual Property Collateral, and not settle or compromise any pending or future litigation or administrative proceeding with respect to any Material Intellectual Property Collateral, in each case, except as shall be consistent with commercially reasonable business judgment, (v) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of any Material Intellectual Property Collateral, or the value or utility of the Intellectual Property of the Pledgors, taken as a whole, or the rights and remedies of the Collateral Agent in relation thereto including a levy or threat of levy or any legal process against any Material Intellectual Property Collateral, (vi) not license any Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that materially and adversely affects the right to receive payments thereunder, or in any manner that would materially impair the value of any Intellectual Property Collateral or the Lien on and security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Collateral Agent, (vii) diligently keep adequate records respecting all Intellectual Property Collateral, (viii) without limiting the Collateral Agent’s rights and each Pledgor’s obligations under Section 6.3 below, furnish to the Collateral Agent from time to time upon the Collateral Agent’s request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to any Intellectual Property Collateral as the

Collateral Agent may from time to time request, (ix) use statutory notice of registration in connection with its use of registered Trademarks, prior marking practices in connection with the use of Patents, and appropriate notice of Copyright in connection with the publication of material subject to Copyrights and (x) maintain the level of quality of products sold and services rendered under any Trademarks owned by such Pledgor at a level at least consistent with the quality of such products and services as of the date hereof, and adequately control the quality of goods an services offered by any licensees of its Trademarks to maintain such standards.

SECTION 6.3. After-Acquired Property. If any Pledgor shall at any time after the date hereof (i) obtain any ownership or other rights in and/or to any additional Intellectual Property (including trademark applications for which evidence of the use of such trademarks in interstate commerce has been submitted to and accepted by the United States Patent and Trademark Office pursuant to 15 U.S.C. Section 1060(a) (or a successor provision)) or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property Collateral, or any improvement on any Intellectual Property Collateral, the provisions of this Agreement shall automatically apply thereto and any such item described in the preceding clause (i) or (ii) (other than any Excluded Property) shall automatically constitute Intellectual Property Collateral as if such would have constituted Intellectual Property Collateral at the time of execution hereof and such Intellectual Property (other than any Excluded Property) shall be subject to the Lien and security interest created by this Agreement without further action by any party. Each Pledgor shall promptly provide to the Collateral Agent written notice of any of the foregoing Intellectual Property owned by such Pledgor which is the subject of a registration or application and confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (i) and (ii) above by execution and delivery, within 90 days (or, in the case of Copyrights, 30 day, or, in each case, such longer period as may be determined by the Collateral Agent in its sole discretion) of the acquisition by such Pledgor of such Intellectual Property, of an instrument in form and substance reasonably acceptable to the Collateral Agent and the filing of any instruments or statements as shall be reasonably necessary to create, record, preserve, protect or perfect the Collateral Agent's lien and security interest in such Intellectual Property. Further, each Pledgor authorizes the Collateral Agent to modify this Agreement by amending Schedules 12(a) and 12(b) to the Perfection Certificate to include any Intellectual Property Collateral of such Pledgor acquired or arising after the date hereof.

SECTION 6.4. Litigation. Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, the Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the reasonable request of the Collateral Agent, do any and all lawful acts and execute any and all documents requested by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly reimburse and indemnify the Collateral Agent for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 6.4 in accordance with Section 11.03 of the Credit Agreement. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the reasonable request of the Collateral Agent, to take all commercially reasonable actions

necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by any person.

ARTICLE VII

CERTAIN PROVISIONS CONCERNING RECEIVABLES

SECTION 7.1. Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Receivable, in a manner consistent with prudent business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon the Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Receivables, including all documents evidencing Receivables and any books and records relating thereto to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Receivables to and for the use by any person that has acquired or is contemplating acquisition of an interest in the Receivables or the Collateral Agent's security interest therein without the consent of any Pledgor.

SECTION 7.2. Modification of Terms, etc. No Pledgor shall rescind or cancel any obligations evidenced by any Receivable or modify any term thereof or make any adjustment, discount, credit, rebate or reduction with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such obligations except in the ordinary course of business consistent with prudent business practice or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Receivable or interest therein except in the ordinary course of business consistent with prudent business practice without the prior written consent of the Collateral Agent. Each Pledgor shall timely fulfill all obligations on its part to be fulfilled under or in connection with the Receivables except as may be otherwise consistent with the exercise of reasonable business judgment in the ordinary course of business. If (i) any material adjustment, discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a material Receivable exists or (ii) if, to the knowledge of any Pledgor, any material dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a material Receivable, the Pledgors will promptly disclose such fact to the Collateral Agent in writing.

SECTION 7.3. Collection. Each Pledgor shall cause to be collected from the Account Debtor of each of the Receivables, as and when due in the ordinary course of business and consistent with prudent business practice (including Receivables that are delinquent, such Receivables to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Receivable, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable, except that any Pledgor may, with respect to a Receivable, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise and (ii) such extensions of time to pay amounts due in respect of Receivables and such other modifications of payment terms or settlements in respect of

Receivables as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time. The costs and expenses (including attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Collateral Agent or any Secured Party, shall be paid by the Pledgors.

ARTICLE VIII

TRANSFERS

SECTION 8.1. Transfers of Pledged Collateral. No Pledgor shall sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as not prohibited by the Credit Agreement.

ARTICLE IX

REMEDIES

SECTION 9.1. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may from time to time (alternatively, successively or concurrently on any one or more occasions) exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, the following remedies:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral including instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Pledged Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall promptly (but in no event later than one Business Day after receipt thereof) pay such amounts to the Collateral Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate and dispose of, any and all investments made in

whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license, liquidation or disposition;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Collateral Agent at any place or places so designated by the Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and therewith delivered to the Collateral Agent, (B) store and keep any Pledged Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral as contemplated in this Section 9.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Pledged Collateral for application to the Secured Obligations as provided in Article X hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Article X hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral;

(viii) In the Collateral Agent's own name, in the name of a nominee of the Collateral Agent, or in the name of any Pledgor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors and other obligors in respect of Receivables of such Pledgor and parties to contracts with such Pledgor, to verify with such persons, to the Collateral Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Chattel Paper, Payment Intangibles, General Intangibles, Instruments and other Receivables that are Pledged Collateral; and

(ix) Exercise all the rights and remedies of a secured party on default under the UCC, and the Collateral Agent may also in its sole discretion, without notice except as specified in Section 9.2 hereof, sell, assign or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of the Pledged Collateral or any part thereof at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such person as a credit on account of the purchase price of the Pledged Collateral or any part thereof payable by such person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent shall not be obligated to make any

sale of the Pledged Collateral or any part thereof regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which the Pledged Collateral or any part thereof may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

SECTION 9.2. Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of the Pledged Collateral or any part thereof shall be required by law, 10 days' prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

SECTION 9.3. Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of the Pledged Collateral or any part thereof, including any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article IX in the absence of gross negligence or willful misconduct on the part of the Collateral Agent. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

SECTION 9.4. Certain Sales of Pledged Collateral.

(a) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Collateral Agent shall have no obligation to engage in public sales.

(b) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act, and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to persons who will agree, among other things, to acquire such Securities Collateral or Investment Property

for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(c) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the reasonable request of the Collateral Agent, for the benefit of the Collateral Agent, cause any registration, qualification under or compliance with any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its commercially reasonable efforts to cause such registration to be effected (and be kept effective) and will use its commercially reasonable efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority. Each Pledgor shall use its commercially reasonable efforts to cause the Collateral Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Collateral Agent such number of prospectuses, offering circulars or other documents incident thereto as the Collateral Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Collateral Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) If the Collateral Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Pledgor shall from time to time furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Collateral Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(e) Each Pledgor further agrees that a breach of any of the covenants contained in this Section 9.4 will cause irreparable injury to the Collateral Agent and the other Secured Parties, that the Collateral Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.4 shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 9.5. No Waiver; Cumulative Remedies.

(a) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law or otherwise available.

(b) In the event that the Collateral Agent shall have instituted any proceeding to enforce any right, power, privilege or remedy under this Agreement or any other Loan Document by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case, the Pledgors, the Collateral Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies, privileges and powers of the Collateral Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

SECTION 9.6. Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred and be continuing, upon the written demand of the Collateral Agent, each Pledgor shall execute and deliver to the Collateral Agent an assignment or assignments of such Pledgor’s rights in the Intellectual Property Collateral, in recordable form with respect to those items of the Intellectual Property Collateral consisting of registered Patents, Trademarks and/or Copyrights (or applications therefor) and such other documents as are necessary or appropriate to carry out the intent and purposes hereof. Within five Business Days of written notice thereafter from the Collateral Agent, each Pledgor shall make available to the Collateral Agent, to the extent within such Pledgor’s power and authority, such personnel in such Pledgor’s employ on the date of the Event of Default as the Collateral Agent may reasonably designate to permit such Pledgor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Pledgor under the registered Patents, Trademarks and/or Copyrights of such Pledgor, and such persons shall be available to perform their prior functions on the Collateral Agent’s behalf.

ARTICLE X

APPLICATION OF PROCEEDS

SECTION 10.1. Application of Proceeds. Subject to the terms of the Intercreditor Agreement, the proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, in accordance with the Credit Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Concerning Collateral Agent.

(a) The Collateral Agent has been appointed as collateral agent pursuant to the Credit Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Credit Agreement. The Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

(b) The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which the Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Collateral Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any person with respect to any Pledged Collateral.

(c) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(d) Except as otherwise provided in Sections 11.17 and 11.18 hereof, if any item of Pledged Collateral also constitutes collateral granted to the Collateral Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, the Collateral Agent, in its sole discretion, shall select which provision or provisions shall control.

(e) The Collateral Agent may rely on advice of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in Section 5.13 of the Credit Agreement. If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party

for any failure to maintain a perfected security interest in such Pledgor's property constituting Pledged Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 11.2. Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement (including such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay and discharge any taxes, assessments and special assessments, levies, fees and governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law against, all or any portion of the Pledged Collateral, (iii) make repairs, (iv) discharge Liens or (v) pay or perform any obligations of such Pledgor under any Pledged Collateral) or if any representation or warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that the Collateral Agent shall in no event be bound to inquire into the validity of any tax, Lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions of the Credit Agreement. Any and all amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 11.03 of the Credit Agreement. Neither the provisions of this Section 11.2 nor any action taken by the Collateral Agent pursuant to the provisions of this Section 11.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full power and authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement, this Agreement and the other Security Documents which the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof (but the Collateral Agent shall not be obligated to and shall have no liability to such Pledgor or any third party for failure to so do or take action). The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 11.3. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other persons (including any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Credit Agreement and, in the case of a Secured Party that is a party to a Hedging Agreement, such Hedging Agreement. Each of the Pledgors agrees that its obligations hereunder and the security interest created hereunder shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured

Obligations is rescinded or must otherwise be restored by the Secured Party upon the bankruptcy or reorganization of any Pledgor or otherwise.

SECTION 11.4. Termination; Release. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan under the Credit Agreement shall have expired or been sooner terminated in accordance with the provisions of the Credit Agreement, this Agreement shall terminate. Upon termination of this Agreement the Pledged Collateral shall be released from the Lien of this Agreement. Upon such release or any release of Pledged Collateral or any part thereof in accordance with the provisions of the Credit Agreement, the Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to the relevant Pledgor, against receipt and without recourse to or warranty by the Collateral Agent except as to the fact that the Collateral Agent has not encumbered the released assets, such of the Pledged Collateral or any part thereof to be released (in the case of a release) as may be in possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including any necessary UCC-3 termination financing statements or releases) acknowledging the termination hereof or the release of such Pledged Collateral, as the case may be.

SECTION 11.5. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Secured Obligations, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 11.6. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Administrative Borrower set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 11.6.

SECTION 11.7. Governing Law, Consent to Jurisdiction and Service of Process; Waiver of Jury Trial. Sections 11.09 and 11.10 of the Credit Agreement are incorporated herein, *mutatis mutandis*, as if a part hereof.

SECTION 11.8. Severability of Provisions. Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

SECTION 11.9. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to

be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.10. Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

SECTION 11.11. No Credit for Payment of Taxes or Imposition. Such Pledgor shall not be entitled to any credit against the principal, premium, if any, or interest payable under the Credit Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Tax on the Pledged Collateral or any part thereof.

SECTION 11.12. No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Pledged Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.

SECTION 11.13. No Release. Nothing set forth in this Agreement or any other Loan Document, nor the exercise by the Collateral Agent of any of the rights or remedies hereunder, shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Pledged Collateral by reason of this Agreement, nor shall the Collateral Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Pledgor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Pledged Collateral hereunder. The obligations of each Pledgor contained in this Section 11.13 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents.

SECTION 11.14. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any other Pledgor;

(ii) any lack of validity or enforceability of the Credit Agreement, any Hedging Agreement or any other Loan Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any Hedging Agreement or any other Loan Document or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Credit Agreement, any Hedging Agreement or any other Loan Document; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

SECTION 11.15. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

SECTION 11.16. Delivery of Collateral. Prior to the Discharge of Revolving Credit Obligations, to the extent any Pledgor is required hereunder to deliver Pledged Collateral that is Revolving Credit Priority Collateral to the Collateral Agent for purposes of possession and control and is unable to do so as a result of having previously delivered such Pledged Collateral to any of the Revolving Credit Agents in accordance with the terms of the Revolving Credit Security Documents, such Pledgor’s obligations hereunder with respect to such delivery shall be deemed satisfied by the delivery to such Revolving Credit Agents, acting as a gratuitous bailee and/or sub-agent of the Collateral Agent in accordance with the terms of the Intercreditor Agreement.

SECTION 11.17. Mortgages. In the case of a conflict between this Agreement and the Mortgages with respect to Pledged Collateral that is real property (including Fixtures), the Mortgages shall govern. In all other conflicts between this Agreement and the Mortgages, this Agreement shall govern.

SECTION 11.18. Conflicts.

(a) In the case of any conflict between this Agreement and the Credit Agreement, the provisions of the Credit Agreement shall govern.

(b) In the case of a conflict between this Agreement and the Canadian Security Agreement, solely with respect to the Canadian Borrower, the provisions of the Canadian Security Agreement shall govern.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each Pledgor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

NOVELIS INC., as a Pledgor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Vice President and Treasurer

NOVELIS CORPORATION, as a Pledgor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS PAE CORPORATION, as a Pledgor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS FINANCES USA LLC, as a Pledgor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Authorized Signatory

NOVELIS SOUTH AMERICA HOLDINGS LLC, as a Pledgor

By: /s/ Orville Lunking
Name: Orville Lunking
Title: Vice President and Treasurer

ALUMINUM UPSTREAM HOLDINGS LLC, as a Pledgor

By: /s/ Orville Lunking

Name: Orville Lunking

Title: Vice President and Treasurer

UBS AG, STAMFORD BRANCH,
as Collateral Agent

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ David Julie
Name: David B. Julie
Title: Associate Director

EXHIBIT 1

ISSUER'S ACKNOWLEDGMENT

The undersigned hereby (i) acknowledges as of this _____ day of __________, 20__, receipt of the Security Agreement (as amended, am ended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act, NOVELIS CORPORATION, a Texas corporation, and the Guarantors party thereto, in favor of UBS AG, STAMFORD BRANCH, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), (ii) agrees promptly to note on its books the security interests granted to the Collateral Agent and confirmed under the Security Agreement, (iii) agrees that it will comply with instructions of the Collateral Agent with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees to notify the Collateral Agent upon obtaining knowledge of any interest in favor of any person in the applicable Securities Collateral that is adverse to the interest of the Collateral Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Security Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Collateral Agent or its nominee or the exercise of voting rights by the Collateral Agent or its nominee.

[   ]

By: ______________________________
Name:
Title:

EXHIBIT 2

SECURITIES PLEDGE AMENDMENT

This Securities Pledge Amendment, dated as of [ ] ("Securities Pledge Amendment"), is delivered by [ ] (the "Pledgor"), in favor of UBS AG, STAMFORD BRANCH, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), pursuant to Section 5.1 of the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act, NOVELIS CORPORATION, a Texas corporation, and the Guarantors party thereto, in favor of UBS AG, STAMFORD BRANCH, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent").

As collateral security for the payment and performance in full of all the Secured Obligations, the Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of the Pledgor in, to and under the Pledged Securities and Intercompany Notes listed on this Securities Pledge Amendment and all Proceeds of any and all of the foregoing (other than Excluded Property).

The Pledgor hereby agrees that this Securities Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Securities Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS SECURITIES PLEDGE AMENDMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS SECURITIES PLEDGE AMENDMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE

[ ],
as Pledgor

By: ______________________________
Name:
Title:

AGREED TO AND ACCEPTED:

UBS AG, STAMFORD BRANCH,
as Collateral Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

EXHIBIT 3

JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

____

____

____

____

Ladies and Gentlemen:

Reference is made to the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act, NOVELIS CORPORATION, a Texas corporation, and the Guarantors party thereto, in favor of UBS AG, STAMFORD BRANCH, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent").

This Joinder Agreement ("Joinder Agreement") supplements the Security Agreement and is delivered by the undersigned, [ ] (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor party to the Security Agreement by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the date of the Security Agreement. The New Pledgor also hereby agrees to be bound as a party by all of the terms, covenants and conditions applicable to it set forth in Articles V, VI and VII of the Credit Agreement to the same extent that it would have been bound if it had been a signatory to the Credit Agreement on the execution date of the Credit Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby grants and pledges to the Collateral Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, a lien on and security interest in, all of its right, title and interest in, to and under the Pledged Collateral and expressly assumes all obligations and liabilities of a Guarantor and Pledgor thereunder. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Security Agreement and the Credit Agreement.

Annexed hereto are supplements to each of the schedules to the Security Agreement and the Credit Agreement, as applicable, with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement or the Credit Agreement, as applicable.

This Joinder Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS JOINDER AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS JOINDER AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS JOINDER AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the New Pledgor has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: ______________________________
Name:
Title:

AGREED TO AND ACCEPTED:

UBS AG, STAMFORD BRANCH,
as Collateral Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

[Schedules to be attached]

EXHIBIT 4

COPYRIGHT SECURITY AGREEMENT

COPYRIGHT SECURITY AGREEMENT, dated as of [__________] ("Copyright Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of UBS AG, STAMFORD BRANCH, a United States branch of a Swiss bank located at 677 Washington Boulevard, Stamford, CT 06901, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Copyright Security Agreement, the term "Copyrights" shall mean, collectively, all copyrights (whether statutory or common law, whether established, registered or recorded in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all mask works (as such term is defined in 17 U.S.C. Section 901, *et seq.*), together with any and all (i) copyright registrations and applications, (ii) rights and privileges arising under applicable law with respect to such copyrights, (iii) renewals and extensions thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

SECTION 2. Grant of Security Interest in Copyright Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Copyright Collateral"):

(a) all Copyrights of such Assignor, including, without limitation, the registered and applied-for Copyrights of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) and (b) above, the security interest created by this Copyright Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Copyrights made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Copyright Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the United States Copyright Office record this Copyright Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan under the Credit Agreement shall have expired or been sooner terminated in accordance with the provisions of the Credit Agreement, this Copyright Security Agreement shall terminate. Upon termination of this Copyright Security Agreement the Pledged Copyright Collateral shall be released from the Lien of this Copyright Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Copyright Collateral from the Lien of this Copyright Security Agreement.

SECTION 6. Counterparts. This Copyright Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Copyright Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Copyright Security Agreement.

SECTION 7. Governing Law. This Copyright Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS COPYRIGHT SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE

INTERCREDITOR AGREEMENT AND THIS COPYRIGHT SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

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IN WITNESS WHEREOF, each Assignor has caused this Copyright Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][1]

By: ______________________________
Name:
Title:

Accepted and Agreed:

UBS AG, STAMFORD BRANCH,
as Assignee

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

1 This document needs only to be executed by Pledgors that hold registered or applied-for Copyrights that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
COPYRIGHT SECURITY AGREEMENT
COPYRIGHT REGISTRATIONS AND COPYRIGHT APPLICATIONS

Copyright Registrations:

OWNER	REGISTRATION NUMBER	TITLE OF WORK

Copyright Applications:

OWNER	TITLE OF WORK

EXHIBIT 5

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of [__________] ("Patent Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of UBS AG, STAMFORD BRANCH, a United States branch of a Swiss bank located at 677 Washington Boulevard, Stamford, CT 06901, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Patent Security Agreement, the term "Patents" shall mean, collectively, all patents, patent applications, certificates of inventions, industrial designs and rights corresponding thereto throughout the world (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to any of the foregoing, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements or other violations thereof.

SECTION 2. Grant of Security Interest in Patent Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Patent Collateral"):

(a) all Patents of such Assignor, including, without limitation, the registered and applied-for Patents of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) and (b) above, the security interest created by this Patent Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Patents made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Patent Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the Commissioner of Patents and Trademarks record this Patent and Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan under the Credit Agreement shall have expired or been sooner terminated in accordance with the provisions of the Credit Agreement, this Patent Security Agreement shall terminate. Upon termination of this Patent Security Agreement the Pledged Patent Collateral shall be released from the Lien of this Patent Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Patent Collateral from the Lien of this Patent Security Agreement.

SECTION 6. Counterparts. This Patent Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Patent Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Patent Security Agreement.

SECTION 7. Governing Law. This Patent Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS PATENT SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR

AGREEMENT AND THIS PATENT SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

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IN WITNESS WHEREOF, each Assignor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][2]

By: ______________________________
Name:
Title:

Accepted and Agreed:

UBS AG, STAMFORD BRANCH,
as Assignee

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

[2] This document needs only to be executed by Pledgors that hold registered or applied-for Patents that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
PATENT SECURITY AGREEMENT
PATENT REGISTRATIONS AND PATENT APPLICATIONS

Patent Registrations:

OWNER	REGISTRATION NUMBER	NAME

Patent Applications:

OWNER	APPLICATION NUMBER	NAME

EXHIBIT 6

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of [__________] ("Trademark Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of UBS AG, STAMFORD BRANCH, a United States branch of a Swiss bank located at 677 Washington Boulevard, Stamford, CT 06901, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Trademark Security Agreement, the term "Trademarks" shall mean, collectively, all trademarks (including service marks and certification marks), slogans, logos, certification marks, trade dress, Internet Domain Names, corporate names and trade names, whether registered or unregistered (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), together with any and all (i) registrations and applications for any of the foregoing, (ii) goodwill connected with the use thereof and symbolized thereby, (iii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iv) reissues, continuations, extensions and renewals thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements, dilutions or other violations thereof.

SECTION 2. Grant of Security Interest in Trademark Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Trademark Collateral"):

(a) all Trademarks of such Assignor, including, without limitation, the registered and applied-for Trademarks of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) through (c) above, the security interest created by this Trademark Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Trademarks made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Trademark Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the Commissioner of Patents and Trademarks record this Trademark Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan under the Credit Agreement shall have expired or been sooner terminated in accordance with the provisions of the Credit Agreement, this Trademark Security Agreement shall terminate. Upon termination of this Trademark Security Agreement the Pledged Trademark Collateral shall be released from the Lien of this Trademark Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Trademark Collateral from the Lien of this Trademark Security Agreement.

SECTION 6. Counterparts. This Trademark Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Trademark Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Trademark Security Agreement.

SECTION 7. Governing Law. This Trademark Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS TRADEMARK SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT

OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS TRADEMARK SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each Assignor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][3]

By: ______________________________
Name:
Title:

Accepted and Agreed:

UBS AG, STAMFORD BRANCH,
as Assignee

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

3 This document needs only to be executed by Pledgors that hold registered or applied-for Trademarks that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS AND TRADEMARK APPLICATIONS

Trademark Registrations:

OWNER	REGISTRATION NUMBER	TRADEMARK

Trademark Applications:

OWNER	APPLICATION NUMBER	TRADEMARK

EXHIBIT 7

FORM OF BAILEE LETTER

UBS AG, Stamford Branch
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Chistopher Gomes
Facsimile No.: 203-719-3180

Re: [__________]

[__________] (the "Bailor"), a [__________] and a subsidiary of Novelis Inc. (the "Parent"), now does or hereafter may deliver to certain premises [managed][owned] by [__________] (the "Bailee"), a [__________], on behalf of the Bailor as owner and located at [__________] (the "Premises"), certain of its [DESCRIBE PROPERTY SUBJECT TO BAILMENT] for [DESCRIBE PURPOSE FOR WHICH PROPERTY HAS BEEN DELIVERED TO BAILEE].

The Parent and certain of its Subsidiaries (collectively, the "Borrowers") have entered into financing arrangements with certain financial institutions (the "Lenders"), pursuant to a Credit Agreement, dated as of July 6, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") for which UBS AG, Stamford Branch shall act as collateral agent (the "Agent"). As a condition to the Agent's and the Lenders' loans and other financial accommodations to the Borrowers (as defined in the Credit Agreement), the Agent and the Lenders require, among other things, liens on all of the Bailor's property located on the Premises, and the proceeds thereof (the "Collateral").

To induce the Agent and the Lenders (together with their respective agents and assigns) to enter into said financing arrangements, and for other good and valuable consideration, the Bailee hereby acknowledges receipt of the above notice, and hereby further agrees that:

(i) title to the Collateral remains with the Bailor while the Collateral is in the custody, control or possession of the Bailee, the undersigned, to the best of its knowledge without special inquiry, does not know of any security interest or claim with respect to such goods or proceeds, other than the security interest which is the subject of this Agreement, and the Bailee will not assert against the Collateral any lien, right of distraint or levy, right of offset, claim, deduction, counterclaim, security or other interest in the Collateral, including any of the foregoing which might arise or exist in its favor pursuant to any agreement, common law, statute (including the Federal Bankruptcy Code) or otherwise, all of which the undersigned hereby subordinates in favor of the Agent;

(ii) the Collateral shall be clearly identified or identifiable as being owned by the Bailor and is distinguishable from the property of the Bailee and other property in its possession;

(iii) none of the Collateral located on the Premises shall be permitted to become a fixture to the Premises;

(iv) the Bailee has not issued, and shall not issue, any negotiable documents or other negotiable instruments in respect of any Collateral;

(v) if any Borrower defaults on its obligations to the Agent and the Lenders, subject to any grace period, and, as a result, the Agent undertakes to enforce its security interest in the Collateral, the Bailee, upon receipt of reasonable written confirmation of the currency and existence of a default (a) will hold the Collateral for the Agent's account for the benefit of the Lenders, and release the Collateral only to the Agent or its designee, (b) will permit the Agent to enter the Premises upon reasonable notice and during regular business hours and without unduly interrupting the Bailee's operations, to inspect, assemble, take possession of, and remove all of the Collateral located on the Premises and will reasonably cooperate with the Agent in its efforts to do so; (c) will permit the Collateral to remain on the Premises for forty-five (45) days after the Agent notifies the Bailee in writing of the default, or, at the Agent's option, to remove the Collateral from the Premises within a reasonable time, not to exceed forty-five (45) days after the Agent notifies the undersigned in writing of the default; (d) will not hinder the Agent's actions in enforcing its liens on the Collateral; and (e) after the Agent notifies the Bailee in writing of the default, will, without further consent or agreement of the Bailor, abide solely by Agent's lawful instructions with respect to the Collateral, and not those of the Bailor; and

(vi) the Bailee hereby waives and releases, for Agent's benefit, any and all claims, liens, including bailee's liens, and demands of every kind which Bailee has or may later have against the Collateral (including any right to include such goods in any secured financing to which Bailee may become party).

The Bailee hereby irrevocably and unconditionally authorizes Agent (or its designee) to file at any time prior to the payment in full of the Secured Obligations (as defined in the Credit Agreement) in any jurisdiction and with such filing offices as the Agent so chooses such financing statements naming the Bailee as the debtor consignee, the Bailor as the secured party consignor, and the Agent as assignee, describing the Collateral in a manner that Agent believes is reasonably necessary or desirable to protect its security interest in the Bailor's property, and including any other information with respect to the Bailee required under the Uniform Commercial Code for the sufficiency of such financing statement or for it to be accepted by the filing office of any applicable jurisdiction (and any amendments or continuations with respect thereto); provided, however, Agent shall provide to Bailor for review copies of any such filings to be made, sufficiently in advance of filing and once filed, final copies of such filings.

Any notice(s) required or desired to be given hereunder shall be directed to the party to be notified at the address stated herein.

The agreements contained herein shall continue in force until each Borrower's obligations and liabilities to the Agent and the Lenders are paid and satisfied in full and all financing arrangements among the Agent, the Lenders and the Borrowers have been terminated.

The consent of the Bailor hereto constitutes its acknowledgment that Agent may assert any of the rights set forth or referred to herein, without objection by the Bailor, and that the Bailee may act in accordance with this Agreement without liability to the Bailor. By its signature below, the Bailor agrees to reimburse the Bailee for all reasonable costs and expenses incurred by the Bailee as a direct result of compliance with this Agreement.

The Bailee will notify all successor owners, transferees, purchasers and mortgagees of the Premises of the existence of this waiver. The agreements contained herein may not be modified or terminated orally and shall be binding upon the successors, assigns and personal representatives of the undersigned.

[*Signature pages follow*]

This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. The undersigned hereby waives notice of acceptance of this Agreement by Agent.

Executed and delivered this ___ day of __________, 20___.

[__________________]
[Address]

By: ____
Name:
Title:

CONSENTED AND AGREED TO:

[________________________]
[Address]

By: ____
Title:

ACKNOWLEDGED AND ACCEPTED:

UBS AG, STAMFORD BRANCH, as Agent
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Christopher Gomes
Facsimile No: 203-719-3180

By: ____
Name:
Title:

By: ____
Name:
Title:

Exhibit 10.5

EXECUTION VERSION

EXHIBIT M-1
TO CREDIT AGREEMENT

SECURITY AGREEMENT

made by

NOVELIS INC.,
as Canadian Borrower,

NOVELIS CORPORATION
NOVELIS PAE CORPORATION,
NOVELIS FINANCES USA LLC,
NOVELIS SOUTH AMERICA HOLDINGS LLC,
ALUMINUM UPSTREAM HOLDINGS LLC,
as U.S. Borrowers

and

THE GUARANTORS FROM TIME TO TIME PARTY HERETO

in favor of

LASALLE BUSINESS CREDIT, LLC,
as Collateral Agent

Dated as of July 6, 2007

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SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of July 6, 2007 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement"), made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act (the "Canadian Borrower"), NOVELIS CORPORATION, a Texas corporation, NOVELIS PAE CORPORATION, a Delaware corporation, NOVELIS FINANCES USA LLC, a Delaware limited liability company ("Novelis Finances"), NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company ("Novelis South"), ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company ("Aluminum Upstream" and, together with Novelis Corporation, Novelis PAE, Novelis Finances and Novelis South, the "U.S. Borrowers"), and the Guarantors from to time to time party hereto (the "Guarantors"), as pledgors, assignors and debtors (the Canadian Borrower, the U.S. Borrowers, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors", and each, a "Pledgor"), in favor of LASALLE BUSINESS CREDIT, LLC, in its capacity as collateral agent pursuant to the Credit Agreement (as hereinafter defined) (in such capacity and together with any successors in such capacity, the "Collateral Agent").

RECITALS:

A. The U.S. Borrowers, Novelis, Inc., a corporation formed under the Canada Business Corporations Act, Novelis UK Limited, a limited liability company incorporated under the laws of England and Wales with registered number 00279596, Novelis AG, a stock corporation (AG) organized under the laws of Switzerland, AV Aluminum Inc., a corporation formed under the Canada Business Corporations Act, and the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto, ABN AMRO BANK N.V., as U.S./European Issuing Bank, U.S. Swingline Lender and Administrative Agent, LaSalle Business Credit, LLC, as Collateral Agent and Funding Agent, ABN AMRO BANK N.V., acting through its Canadian branch, as Canadian Issuing Bank, Canadian Funding Agent and as Canadian Administrative Agent, and the other parties thereto have, in connection with the execution and delivery of this Agreement, entered into that certain Credit Agreement, dated as of July 6, 2007 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; which term shall also include and refer to any increase in the amount of indebtedness under the Credit Agreement and any refinancing or replacement of the Credit Agreement (whether under a bank facility, securities offering or otherwise) or one or more successor or replacement facilities whether or not with a different group of agents or lenders (whether under a bank facility, securities offering or otherwise) and whether or not with different obligors upon the Administrative Agent's acknowledgment of the termination of the predecessor Credit Agreement).

B. Each Guarantor has, pursuant to the Credit Agreement, unconditionally guaranteed the Secured Obligations.

C. Each Guarantor will receive substantial benefits from the execution, delivery and performance of the obligations under the Credit Agreement and the other Loan Documents and each is, therefore, willing to enter into this Agreement.

D. This Agreement is given by each Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations.

F. It is a condition to (i) the obligations of the Lenders to make the Loans and other Credit Extensions under the Credit Agreement and (ii) the obligations of each Issuing Bank to issue Letters of Credit that each Pledgor execute and deliver the applicable Loan Documents, including this Agreement.

AGREEMENT:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC; provided that in any event, the following terms shall have the meanings assigned to them in the UCC:

"Accounts"; "Bank"; "Chattel Paper"; "Commercial Tort Claim"; "Commodity Account"; "Commodity Contract"; "Commodity Intermediary"; "Documents"; "Electronic Chattel Paper"; "Entitlement Order"; "Equipment"; "Financial Asset"; "Fixtures"; "Goods", "Inventory"; "Letter-of-Credit Rights"; "Letters of Credit"; "Money"; "Payment Intangibles"; "Proceeds"; " Records"; "Securities Account"; "Securities Entitlement"; "Securities Intermediary"; "Supporting Obligations"; and "Tangible Chattel Paper."

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement. Sections 1.03, 1.04 and 1.05 of the Credit Agreement shall apply herein *mutatis mutandis*.

(c) The following terms shall have the following meanings:

"Account Debtor" shall mean each person who is obligated on a Receivable or Supporting Obligation related thereto.

"Agreement" shall have the meaning assigned to such term in the Preamble hereof.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereinafter in effect, or any successor statute.

"Bailee Letter" shall be an agreement in form substantially similar to Exhibit 7 hereto or in such other form and substance reasonably satisfactory to the Collateral Agent.

"Canadian Borrower" shall have the meaning assigned to such term in the Preamble hereof.

"Collateral Agent" shall have the meaning assigned to such term in the Preamble hereof.

"Collateral Report" means any certificate (including any Borrowing Base Certificate), report or other document delivered by any Pledgor to any Agent with respect to the Pledged Collateral pursuant to any Loan Document.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Pledged Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"Commodity Account Control Agreement" shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Commodity Account.

"Contracts" shall mean, collectively, with respect to each Pledgor, the Acquisition Documents, all sale, service, performance, equipment or property lease contracts, licenses, agreements and grants and all other contracts, licenses, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Pledgor and any third party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control" shall mean (i) in the case of each Deposit Account, "control", as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, "control", as such term is defined in Section 8-106 of the UCC, and (iii) in the case of any Commodity Contract, "control", as such term is defined in Section 9-106 of the UCC.

"Control Agreements" shall mean, collectively, the Deposit Account Control Agreement, the Securities Account Control Agreement and the Commodity Account Control Agreement.

"Copyrights" shall mean, collectively, all copyrights (whether statutory or common law, whether established, registered or recorded in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all mask works (as such term is defined in 17 U.S.C. Section 901, *et seq.*), together with any and all (i) copyright registrations and applications, (ii) rights and privileges arising under applicable law with respect to such copyrights, (iii) renewals and extensions thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"Copyright Security Agreement" shall mean an agreement substantially in the form of Exhibit 4 hereto.

"Credit Agreement" shall have the meaning assigned to such term in Recital A hereof.

"Deposit Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent's Control with respect to any Deposit Account.

“Deposit Accounts” shall mean, collectively, with respect to each Pledgor, (i) all “deposit accounts” as such term is defined in the UCC and in any event shall include the LC Account and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

“Discharge of Term Loan Obligations” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Distributions” shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

“Excluded Commodities Accounts” shall mean Commodities Accounts with Investment Property or other property held in or credited to such Commodities Accounts with an aggregate value of less than $1,000,000 at any time with respect to any particular Commodities Account and less than $2,500,000 at any time in the aggregate for all such Commodities Accounts.

“Excluded Deposit Accounts” shall mean (i) Deposit Accounts used solely to fund payroll, payroll taxes and similar employment taxes or employee benefits in the ordinary course of business and (ii) Deposit Accounts with an amount on deposit of less than $1,000,000 at any time with respect to any particular Deposit Account and less than $2,500,000 at any time in the aggregate for all such Deposit Accounts; provided that notwithstanding the foregoing, no Deposit Account of a Borrowing Base Loan Party shall be an Excluded Deposit Account unless it is permitted to exist outside of the Cash Management System pursuant to Section 9.01(d) of the Credit Agreement.

“Excluded Securities Accounts” shall mean (i) Securities Accounts with Investment Property or other property held in or credited to such Securities Accounts with an aggregate value of less than $10,000,000 at any time in the aggregate for all such Securities Accounts and (ii) Securities Accounts with property held in or credited to such Securities Accounts consisting solely of the Equity Interests of Aluminum Company of Malaysia Berhard (Malaysia).

“Excluded Property” shall mean

(a) any permit or license issued by a Governmental Authority to any Pledgor or any agreement to which any Pledgor is a party, in each case, only to the extent and for so long as the terms of such permit, license or agreement or any Requirement of Law applicable thereto, validly prohibit the creation by such Pledgor of a security interest in such permit, license or agreement in favor of the Collateral Agent (after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law (including the Bankruptcy Code) or principles of equity),

(b) any “Venture Interests” as defined in the Joint Venture Agreement, dated January 18, 1985, between Arco Logan Inc. and Alcan Aluminum Corporation, as such Joint Venture Agreement may have been amended prior to January 7, 2005, and any Equity Interest in any other joint ventures to the extent the terms of the applicable joint venture agreement validly prohibit the

creation by the applicable Pledgor of a security interest in such other Equity Interests in favor of the Collateral Agent, but only to the extent and for so long as (i) the terms of the applicable agreement prohibit the creation by the applicable Pledgor of a security interest in such "Venture Interests" or other Equity Interests in favor of the Collateral Agent (after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law (including the Bankruptcy Code) or principles of equity) and (ii) such prohibition is permitted by Section 6.19 of the Credit Agreement,

(c) any property owned by any Pledgor on the date hereof or hereafter acquired that is subject to a Lien securing a Purchase Money Obligation or Capital Lease Obligation permitted to be incurred pursuant to the provisions of the Credit Agreement if the contract or other agreement in which such Lien is granted (or the documentation providing for such Purchase Money Obligation or Capital Lease Obligation) validly prohibits the creation of any other Lien on such property,

(d) any United States trademark or service mark application filed on the basis of a Pledgor's intent-to-use such mark, in each case, unless and until evidence of the use of such trademark in interstate commerce is submitted to and accepted by the United States Patent and Trademark Office, and

(e) any Equity Interests of Novelis de Mexico, S.A. de C.V. so long as (i) such Subsidiary is an Excluded Collateral Subsidiary and (ii) the pledge of or grant of a security interest in the Equity Interests of such Subsidiary pursuant hereto would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would or could reasonably be expected to trigger an increase in the net income of a United States shareholder of such Subsidiary pursuant to Section 951 (or a successor provision) of the Code, as reasonably determined by the Collateral Agent; provided, however, that Excluded Property shall not include (x) Voting Stock of such Subsidiary representing not more than 65% of the total voting power of all outstanding Voting Stock of such Subsidiary and (y) 100% of the Equity Interests not constituting Voting Stock of such Subsidiary, except that any such Equity Interests constituting "stock entitled to vote" within the meaning of Treasury Regulation Section 1.956-2(c)(2) shall be treated as Voting Stock for purposes of this clause (e);

provided, however, that Excluded Property shall not include any Proceeds, substitutions or replacements of any Excluded Property referred to in clauses (a) through (e) (unless such Proceeds, substitutions or replacements would constitute Excluded Property referred to in clauses (a), (b), (c), (d) or (e)).

"General Intangibles" shall mean, collectively, with respect to each Pledgor, all "general intangibles", as such term is defined in the UCC, of such Pledgor and, in any event, shall include (i) all of such Pledgor's rights, title and interest in, to and under all Contracts and insurance policies (including all rights and remedies relating to monetary damages, including indemnification rights and remedies, and claims for damages or other relief pursuant to or in respect of any Contract), (ii) all know-how and warranties relating to any of the Pledged Collateral or the Mortgaged Property, (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other person and the benefits of any and all collateral or other security given by any other person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Pledged Collateral or any of the Mortgaged Property, (v) all intellectual property, (vi) all lists, books, records, correspondence, ledgers, printouts, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral or any of the Mortgaged

Property, including all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like, field repair data, accounting information pertaining to such Pledgor's operations or any of the Pledged Collateral or any of the Mortgaged Property and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vii) all licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, now or hereafter acquired or held by such Pledgor, including building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation and (viii) all rights to reserves, deferred payments, deposits, refunds, indemnification of claims and claims for tax or other refunds against any Governmental Authority.

"Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Immaterial Intellectual Property Collateral" shall mean Intellectual Property Collateral that is not Material Intellectual Property Collateral.

"Instruments" shall mean, collectively, with respect to each Pledgor, all "instruments", as such term is defined in Article 9, rather than Article 3, of the UCC, and shall include all promissory notes, drafts, bills of exchange or acceptances.

"Intellectual Property" shall mean, collectively, Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights.

"Intellectual Property Collateral" shall mean, collectively, the Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights of the Pledgors, in each case, other than any Excluded Property.

"Intellectual Property Licenses" shall mean, collectively, with respect to each Pledgor, all license agreements, distribution agreements and covenants not to sue (regardless of whether such agreements and covenants are contained within an agreement that also covers other matters, such as development or consulting) with respect to any Patent, Trademark, Copyright or Trade Secrets and Other Proprietary Rights, whether such Pledgor is a licensor or licensee, distributor or distributee under any such agreement, together with any and all (i) amendments, renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements, breaches or violations thereof and (iv) other rights to use, exploit or practice any or all Patents, Trademarks, Copyrights or Trade Secrets and Other Proprietary Rights.

"Intercompany Notes" shall mean, with respect to each Pledgor, all intercompany notes described in Schedule 11 to the Perfection Certificate and intercompany notes hereafter acquired by such Pledgor and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement, dated as of the date hereof, by and among the Pledgors and the other Companies party thereto, the Funding Agent,

the Administrative Agent, the Collateral Agent, the Canadian Funding Agent, the Canadian Administrative Agent, the Term Loan Agents, and certain other persons which may be or become parties thereto or become bound thereto from time to time, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Investment Property" shall mean a security, whether certificated or uncertificated, Security Entitlement, Securities Account, Commodity Contract or Commodity Account, excluding, however, the Securities Collateral.

"Joinder Agreement" shall mean an agreement substantially in the form of Exhibit 3 hereto.

"LC Account" shall mean any account established and maintained in accordance with the provisions of Section 2.18(i) of the Credit Agreement and all property from time to time on deposit in such LC Account.

"Material Intellectual Property Collateral" shall mean any Intellectual Property Collateral that is material (i) to the use and operation of any material Pledged Collateral or Mortgaged Property or (ii) to the business, results of operations, prospects or condition, financial or otherwise, of any Pledgor.

"Mortgaged Property" shall have the meaning assigned to such term in the Mortgages.

"Patents" shall mean, collectively, all patents, patent applications, certificates of inventions, industrial designs and rights corresponding thereto throughout the world (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to any of the foregoing, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements or other violations thereof.

"Patent Security Agreement" shall mean an agreement substantially in the form of Exhibit 5 hereto.

"Perfection Certificate" shall mean, individually and collectively, as the context may require, each perfection certificate dated July 6, 2007, executed and delivered by each Pledgor in favor of the Agents, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Collateral Agent) executed and delivered by the applicable Pledgor in favor of the Funding Agent and Collateral Agent for the benefit of the Secured Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with Section 3.5 hereof, in each case, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

"Permitted Encumbrances" shall mean Permitted Liens of the type described in Section 6.02(a), (b), (c), (d), (f), (g), (h), (i), (j), (k) (to the extent provided in the Intercreditor Agreement), (n), (o), (q), (r), (s) and (t) of the Credit Agreement which have priority over the Liens granted pursuant to this Agreement (and in each case, subject to the proviso to Section 6.02 of the Credit Agreement).

“person” shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Pledge Amendment” shall have the meaning assigned to such term in Section 5.1 hereof.

“Pledged Collateral” shall have the meaning assigned to such term in Section 2.1 hereof.

“Pledged Securities” shall mean, collectively, with respect to each Pledgor, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 10 to the Perfection Certificate as being owned by such Pledgor and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests in each such issuer or under any Organizational Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any issuer, which Equity Interests are hereafter acquired by such Pledgor (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests or under any Organizational Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Pledgor in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests.

“Pledgor” shall have the meaning assigned to such term in the Preamble hereof.

“Receivables” shall mean all (i) Accounts, (ii) Chattel Paper, (iii) Payment Intangibles, (iv) General Intangibles, (v) Instruments and (vi) all other rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, regardless of how classified under the UCC together with all of Pledgors’ rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Records relating thereto.

“Securities Account Control Agreement” shall mean an agreement in form and substance reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Securities Account.

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

“Term Loan Agents” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Term Loan Security Documents” shall have the meaning assigned to such term in the Intercreditor Agreement

“Trade Secrets and Other Proprietary Rights” shall mean, collectively, all trade secrets, proprietary information and data and databases, know-how and processes, designs, inventions,

technology and software and any other intangible rights to the extent not covered by the definitions of Patents, Trademarks and Copyrights; whether registered or unregistered, whether statutory or common law, and whether established or registered in the United States or any other country or any political subdivision thereof, including, without limitation, any of the foregoing listed on Schedule 12(a) to the Perfection Certificate, together with any and all (i) registrations and applications for the foregoing, (ii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iii) reissues, continuations, extensions, renewals and divisions thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements and other violations thereof.

"Trademarks" shall mean, collectively, all trademarks (including service marks and certification marks), slogans, logos, certification marks, trade dress, Internet Domain Names, corporate names and trade names, whether registered or unregistered (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), together with any and all (i) registrations and applications for any of the foregoing, (ii) goodwill connected with the use thereof and symbolized thereby, (iii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iv) reissues, continuations, extensions and renewals thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements, dilutions or other violations thereof.

"Trademark Security Agreement" shall mean an agreement substantially in the form of Exhibit 6 hereto.

"Treasury Obligations" shall mean all obligations of the Borrowers and the other Loan Parties (including overdrafts and related liabilities) under each Treasury Services Agreement entered into with any counterparty that is a Secured Party.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"U.S. Borrowers" shall have the meaning assigned to such term in the Preamble hereof.

SECTION 1.2. Interpretation. The rules of interpretation specified in the Credit Agreement shall be applicable to this Agreement.

SECTION 1.3. Resolution of Drafting Ambiguities. Each Pledgor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery hereof, that it and its counsel reviewed and participated in the preparation and negotiation hereof and that any rule of

construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Collateral Agent) shall not be employed in the interpretation hereof.

SECTION 1.4. Perfection Certificate. The Collateral Agent and each Secured Party agree that the Perfection Certificate and all descriptions of Pledged Collateral, schedules, amendments and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1. Grant of Security Interest. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral"):

(i) all Accounts;

(ii) all Equipment, Goods, Inventory and Fixtures;

(iii) all Documents, Instruments and Chattel Paper;

(iv) all Letters of Credit and Letter-of-Credit Rights;

(v) all Securities Collateral;

(vi) all Investment Property;

(vii) all Patents, Trademarks, Copyrights, Intellectual Property Licenses and Trade Secrets and Other Proprietary Rights;

(viii) the Commercial Tort Claims described on Schedule 13 to the Perfection Certificate;

(ix) all General Intangibles;

(x) all Money and all Deposit Accounts;

(xi) all Supporting Obligations;

(xii) all books and records relating to the Pledged Collateral; and

(xiii) to the extent not covered by clauses (i) through (xii) of this sentence, all other personal property of such Pledgor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the

foregoing, any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiii) above, the security interest created by this Agreement shall not extend to, and the term "Pledged Collateral" shall not include, any Excluded Property and (x) the Pledgors shall, concurrently with any delivery of financial statements under Section 5.01(a) of the Credit Agreement and upon the request of the Collateral Agent at any time an Event of Default has occurred and is continuing, provide to the Collateral Agent such information regarding the Excluded Property as the Collateral Agent may reasonably request (including written notice identifying in reasonable detail the Excluded Property) and (y) from and after the Closing Date, no Pledgor shall permit to become effective in any document creating, governing or providing for any permit, license or agreement a provision that would prohibit the creation of a Lien on such permit, license or agreement in favor of the Collateral Agent unless such prohibition is permitted under Section 6.19 of the Credit Agreement.

SECTION 2.2. Filings. (a) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Pledged Collateral, including (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, (ii) any financing or continuation statements or other documents without the signature of such Pledgor where permitted by law, including the filing of a financing statement describing the Pledged Collateral as "all assets now owned or hereafter acquired by the debtor or in which debtor otherwise has rights" or a similar description and (iii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Pledged Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request by the Collateral Agent.

(b) Each Pledgor hereby ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any financing statements relating to the Pledged Collateral if filed prior to the date hereof.

(c) Each Pledgor hereby further authorizes the Collateral Agent to execute and/or submit filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country), as applicable, including this Agreement, the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement, or other documents and to take such other actions as may be required under applicable law for the purpose of perfecting, recording, confirming, continuing, enforcing or protecting the security interest granted by such Pledgor hereunder, without the signature of such Pledgor, and naming such Pledgor, as debtor, and the Collateral Agent, as secured party.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES;
USE OF PLEDGED COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Each Pledgor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral (other than Excluded Property and any certificates, agreements or instruments representing or evidencing Equity Interests in an Excluded Collateral Subsidiary which is not a Loan Party) in existence on the date hereof have been delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that the Collateral Agent has a perfected First Priority security interest therein. Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral acquired by such Pledgor after the date hereof shall promptly (but in any event within thirty days after receipt thereof by such Pledgor or such longer period as may be determined by the Collateral Agent in its sole discretion) be delivered to and held by or on behalf of the Collateral Agent pursuant hereto (provided that notwithstanding the foregoing, no such certificates, agreements or instruments representing or evidencing Securities Collateral shall be required to be so delivered to the extent such Securities Collateral constitutes Excluded Property or any certificates, agreements or instruments representing or evidencing Equity Interests in an Excluded Collateral Subsidiary which is not a Loan Party, but shall be so delivered promptly (but in any event within thirty days) following the date such Securities Collateral ceases to constitute Excluded Property or such Subsidiary ceases to qualify as an Excluded Collateral Subsidiary or otherwise becomes, or is required to become, a Loan Party pursuant to the terms of the Credit Agreement). All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Pledgor represents and warrants that the Collateral Agent has a perfected First Priority security interest in all uncertificated Pledged Securities (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) pledged by it hereunder that are in existence on the date hereof. Each Pledgor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, (i) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto or such other form that is reasonably satisfactory to the Collateral Agent, (ii) if necessary or desirable to perfect a security interest in such Pledged Securities, cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly

Owned Subsidiary, use commercially reasonable efforts to cause) the issuer of such uncertificated Pledged Securities to enter into a control agreement with the Collateral Agent and such Pledgor reasonably satisfactory to the Collateral Agent pursuant to which such issuer shall agree to comply with instructions originated by the Collateral Agent without further consent by such Pledgor, and cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) such pledge to be recorded on the equityholder register or the books of the issuer, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Collateral Agent the right to transfer such Pledged Securities under the terms hereof, (iii) upon request by the Collateral Agent, provide to the Collateral Agent an opinion of counsel, in form and substance reasonably satisfactory to the Collateral Agent, confirming such pledge and perfection thereof, and (iv) after the occurrence and during the continuance of any Event of Default, upon request by the Collateral Agent, (A) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) the Organizational Documents of each such issuer that is a Subsidiary of a Pledgor to be amended to provide that such Pledged Securities shall be treated as "securities" for purposes of the UCC and (B) cause (or in the case of Pledged Securities issued by an issuer that is not a Wholly Owned Subsidiary, use commercially reasonable efforts to cause) such Pledged Securities to become certificated and delivered to the Collateral Agent in accordance with the provisions of Section 3.1.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Pledgor represents and warrants that all financing statements, agreements, instruments and other documents necessary to perfect the security interest granted by it to the Collateral Agent in respect of the Pledged Collateral (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) have been delivered to the Collateral Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule 7 to the Perfection Certificate. Each Pledgor agrees that at the sole cost and expense of the Pledgors, such Pledgor will maintain the security interest created by this Agreement in the Pledged Collateral (other than uncertificated Pledged Securities in which a security interest cannot be perfected by taking all applicable actions under the UCC and such other actions (including, without limitation, the delivery or filing of financing, statements, agreements instruments or other documents) as may have been reasonably requested by the Collateral Agent in order to perfect such security interest under the local laws of the jurisdiction of the issuer of such Pledged Securities) as a perfected First Priority security interest subject only to Permitted Collateral Liens.

SECTION 3.4. Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Pledged Collateral, each Pledgor represents and warrants (as to itself) as follows and agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) Instruments and Tangible Chattel Paper. As of the date hereof, no amounts payable under or in connection with any of the Pledged Collateral are evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Schedule 11 to the Perfection Certificate. Each Instrument and each item of Tangible Chattel Paper listed in Schedule 11 to the Perfection Certificate has been properly endorsed,

assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount then payable under or in connection with any of the Pledged Collateral shall be evidenced by any Instrument or Tangible Chattel Paper, and such amount, together with all amounts payable evidenced by any Instrument or Tangible Chattel Paper not previously delivered to the Collateral Agent exceeds $1,000,000 in the aggregate for all Pledgors, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall promptly (but in any event within thirty days after receipt thereof) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) Deposit Accounts. As of the date hereof, no Pledgor has any Deposit Accounts other than the accounts listed in Schedule 14 to the Perfection Certificate. The Collateral Agent has a First Priority security interest in each such Deposit Account (other than Excluded Deposit Accounts), which security interest is (or, with respect to any such Deposit Accounts identified on Schedule 5.16 to the Credit Agreement, after completion of the actions with respect to such Deposit Accounts specified on such Schedule, will be) perfected by Control. No Pledgor shall hereafter establish and maintain any Deposit Account unless (1) it shall have given the Collateral Agent 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice of its intention to establish such new Deposit Account with a Bank, (2) such Bank shall be reasonably acceptable to the Collateral Agent and (3) such Bank and such Pledgor shall have duly executed and delivered to the Collateral Agent a Deposit Account Control Agreement with respect to such Deposit Account (other than Excluded Deposit Accounts). The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any instructions directing the disposition of funds from time to time credited to any Deposit Account or withhold any withdrawal rights from such Pledgor with respect to funds from time to time credited to any Deposit Account unless a Cash Dominion Trigger Event has occurred and no subsequent Cash Dominion Recovery Event has occurred. The two immediately preceding sentences shall not apply to the LC Account or to any other Deposit Accounts for which the Collateral Agent is the Bank. No Pledgor shall grant Control of any Deposit Account to any person other than the Collateral Agent and, subject to the terms of the Intercreditor Agreement, Term Loan Agents.

(c) Securities Accounts and Commodity Accounts. (i) As of the date hereof, no Pledgor has any Securities Accounts or Commodity Accounts other than those listed in Schedule 14 to the Perfection Certificate. The Collateral Agent has a First Priority security interest in each such Securities Account and Commodity Account (other than Excluded Securities Accounts and Excluded Commodities Accounts), which security interest is perfected by Control. No Pledgor shall hereafter establish and maintain any Securities Account or Commodity Account with any Securities Intermediary or Commodity Intermediary unless (1) it shall have given the Collateral Agent 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice of its intention to establish such new Securities Account or Commodity Account with such Securities Intermediary or Commodity Intermediary, (2) such Securities Intermediary or Commodity Intermediary shall be reasonably acceptable to the Collateral Agent and (3) such Securities Intermediary or Commodity Intermediary, as the case may be, and such Pledgor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account (other than Excluded Securities Accounts and Excluded Commodities Accounts), as the case may be. Each Pledgor shall accept any cash and Investment Property in trust for the benefit of the Collateral Agent and within five days of actual receipt thereof, deposit any and all cash and Investment Property received by it into a Deposit

Account or Securities Account. The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any Entitlement Orders or instructions or directions to any issuer of uncertificated securities, Securities Intermediary or Commodity Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Pledgor, unless a Cash Dominion Trigger Event has occurred and no subsequent Cash Dominion Recovery Event has occurred or, after giving effect to any such investment and withdrawal rights, a Cash Dominion Trigger Event would occur. The two immediately preceding sentences shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary. No Pledgor shall grant Control over any Investment Property to any person other than the Collateral Agent and, subject to the terms of the Intercreditor Agreement, Term Loan Agents.

(ii) As between the Collateral Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a Security Entitlement or deposit by, or subject to the Control of, the Collateral Agent, a Securities Intermediary, a Commodity Intermediary, any Pledgor or any other person.

(d) Electronic Chattel Paper and Transferable Records. As of the date hereof, no amount under or in connection with any of the Pledged Collateral is evidenced by any Electronic Chattel Paper or any “transferable record” (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such Electronic Chattel Paper and transferable records listed in Schedule 11(a) to the Perfection Certificate. If any amount payable under or in connection with any of the Pledged Collateral shall be evidenced by any Electronic Chattel Paper or any transferable record, the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control of such Electronic Chattel Paper under Section 9-105 of the UCC or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The requirement in the preceding sentence shall not apply to the extent that such amount, together with all amounts payable evidenced by Electronic Chattel Paper or any transferable record in which the Collateral Agent has not been vested control within the meaning of the statutes described in the immediately preceding sentence, does not exceed $1,000,000 in the aggregate for all Pledgors. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent’s loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(e) Letter-of-Credit Rights. If any Pledgor is at any time a beneficiary under a Letter of Credit now or hereafter issued, such Pledgor shall promptly notify the Collateral Agent thereof and such Pledgor shall, at the request of the Collateral Agent, pursuant to an agreement in form

and substance reasonably satisfactory to the Collateral Agent, either use commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such Letter of Credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the Letter of Credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such Letter of Credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the Letter of Credit are to be applied as provided in the Credit Agreement. The actions in the preceding sentence shall not be required to the extent that the amount of any such Letter of Credit, together with the aggregate amount of all other Letters of Credit for which the actions described above in clause (i) and (ii) have not been taken, does not exceed $1,000,000 in the aggregate for all Pledgors.

(f) Commercial Tort Claims. As of the date hereof, each Pledgor hereby represents and warrants that it holds no Commercial Tort Claims other than those listed in Schedule 13 to the Perfection Certificate. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim, such Pledgor shall promptly notify the Collateral Agent in writing signed by such Pledgor of the brief details thereof and grant to the Collateral Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent. The requirement in the preceding sentence shall not apply to the extent that the amount of such Commercial Tort Claim, together with the amount of all other Commercial Tort Claims held by any Pledgor in which the Collateral Agent does not have a security interest, does not exceed $1,000,000 in the aggregate for all Pledgors.

(g) Landlord's Access Agreements/Bailee Letters. If and to the extent reasonably requested by the Collateral Agent, each Pledgor shall use its commercially reasonable efforts to obtain as soon as practicable after such request with respect to each location where such Pledgor maintains Pledged Collateral, a Bailee Letter and/or Landlord Access Agreement, as applicable, and use commercially reasonable efforts to obtain a Bailee Letter, Landlord Access Agreement and/or landlord's lien waiver, as applicable, from all such bailees and landlords, as applicable, who from time to time have possession of any Pledged Collateral. A waiver of bailee's lien shall not be required if the value of the Pledged Collateral held by such bailee is less than $100,000, provided that the aggregate value of the Pledged Collateral held by all bailees who have not delivered a Bailee Letter is less than $1,000,000 in the aggregate.

SECTION 3.5. Joinder of Additional Guarantors. The Pledgors shall cause each Subsidiary of Holdings which, from time to time, after the date hereof shall be required to become a party to this Agreement or to otherwise pledge any assets to the Collateral Agent for the benefit of the Secured Parties pursuant to the provisions of the Credit Agreement, (a) to execute and deliver to the Collateral Agent (i) a Joinder Agreement substantially in the form of Exhibit 3 hereto within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) of the date on which it became a Subsidiary, ceased to be an Excluded Collateral Subsidiary or was required to become a Loan Party by operation of the provisions of Section 5.11(d) of the Credit Agreement, as the case may be, and (ii) a Perfection Certificate, in each case, within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) of the date on which it became a Subsidiary, ceased to be an Excluded Collateral Subsidiary or was required to become a Loan Party by operation of the provisions of Section 5.11(d) of the Credit Agreement, as the case may be, and (b) in the case of a Subsidiary organized outside of the United States, to execute and deliver to the Collateral Agent such additional documentation as the Collateral Agent shall reasonably request and, in each case with respect to clauses (a) and (b) above, upon such execution and delivery, such Subsidiary shall constitute a "Guarantor" and a "Pledgor"

for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Pledgor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Pledgor as a party to this Agreement.

SECTION 3.6. Supplements; Further Assurances. Each Pledgor shall take such further actions, and execute and/or deliver to the Collateral Agent such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Collateral Agent may in its reasonable judgment deem necessary or appropriate in order to create, perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm the validity, enforceability and priority of the Collateral Agent's security interest in the Pledged Collateral or permit the Collateral Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral, including the filing of financing statements, continuation statements and other documents (including this Agreement) under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Control Agreements, all in form and substance reasonably satisfactory to the Collateral Agent and in such offices (including the United States Patent and Trademark Office and the United States Copyright Office) wherever required by law to perfect, continue and maintain the validity, enforceability and priority of the security interest in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties, with respect to the Pledged Collateral. Without limiting the generality of the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Collateral Agent from time to time upon reasonable request by the Collateral Agent such lists, schedules, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Collateral Agent shall reasonably request. If an Event of Default has occurred and is continuing, the Collateral Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Collateral Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1. Title. Except for the security interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and Permitted Liens, such Pledgor owns and has rights and, as to Pledged Collateral acquired by it from time to time after the date hereof, will own and have rights in each item of Pledged Collateral pledged by it hereunder, free and clear of any and all Liens or claims of others. In addition, no Liens or claims exist on the Securities Collateral,

other than Permitted Liens that are permitted to attach to Securities Collateral pursuant to the provisions of Section 6.02 of the Credit Agreement.

SECTION 4.2. Validity of Security Interest. The security interest in and Lien on the Pledged Collateral granted to the Collateral Agent for the benefit of the Secured Parties hereunder constitutes (a) a legal and valid security interest in all the Pledged Collateral securing the payment and performance of the Secured Obligations, and (b) subject to the filings and other actions described in Schedule 6 to the Perfection Certificate (to the extent required to be listed on the schedules to the Perfection Certificate as of the date this representation is made or deemed made), a perfected security interest in all the Pledged Collateral. The security interest and Lien granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement in and on the Pledged Collateral will at all times constitute a perfected, continuing First Priority security interest therein.

SECTION 4.3. Defense of Claims; Transferability of Pledged Collateral. Except to the extent otherwise permitted by Section 5.05 of the Credit Agreement, each Pledgor shall, at its own cost and expense, defend title to the Pledged Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Collateral Agent and the priority thereof against all claims and demands of all persons, at its own cost and expense, at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party other than Permitted Encumbrances. Except as permitted by the Credit Agreement, there is no agreement, order, judgment or decree, and no Pledgor shall enter into any agreement or take any other action, that would restrict the transferability of any of the Pledged Collateral or otherwise impair or conflict with such Pledgor's obligations or the rights of the Collateral Agent hereunder.

SECTION 4.4. Other Financing Statements. It has not filed, nor authorized any third party to file, any valid or effective financing statement (or similar statement, instrument of registration or public notice under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral, except such as have been filed in favor of the Collateral Agent pursuant to this Agreement or in favor of any holder of a Permitted Encumbrance with respect to such Permitted Encumbrance or financing statements or public notices relating to the termination statements listed on Schedule 7 to the Perfection Certificate. No Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement, instrument of registration or public notice under the law of any jurisdiction) relating to any Pledged Collateral, except financing statements and other statements and instruments filed or to be filed in respect of and covering the security interests granted by such Pledgor to the holders of the Permitted Encumbrances.

SECTION 4.5. Inventory and Equipment.

(a) Except as expressly permitted by Section 5.13 of the Credit Agreement, it shall not move any Equipment or Inventory to any location, other than any location that is listed in the relevant Schedules to the Perfection Certificate, unless (i) it shall have given the Collateral Agent not less than 30 days' (or such shorter period as may be determined by the Collateral Agent in its sole discretion) prior written notice (in the form of an Officers' Certificate) of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may request and (ii) to the extent applicable with respect to such new location, such Pledgor shall have complied with Section 3.4(g); provided that notwithstanding the foregoing, in no event shall Equipment or Inventory be moved to any location outside of the continental United States except in connection with an Asset Sale expressly permitted by the Credit Agreement.

(b) With respect to any Inventory scheduled or listed on the most recent Collateral Report, except as disclosed therein: (i) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location not set forth in the Perfection Certificate except as permitted by Section 4.5(a) above or Section 5.13 of the Credit Agreement, (ii) the Pledgors have good, indefeasible and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Collateral Agent, for the benefit of the Secured Parties, and except for other Liens permitted to attach to Inventory under Section 6.02 of the Credit Agreement, (iii) with respect to Inventory included in any Borrowing Base Certificate, such Inventory is Eligible Inventory, (iv) such Inventory is not subject to any Intellectual Property Licenses with any third parties that would, upon sale or other disposition of such Inventory by the Collateral Agent in accordance with the terms hereof, infringe or otherwise violate the Intellectual Property of such third-party licensor, violate any Contracts with such third-party licensor, or cause the Collateral Agent to incur any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current Intellectual Property Licenses related thereto, (v) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder and (vi) the completion of manufacture, sale or other disposition of such Inventory by the Collateral Agent upon the occurrence and during the continuance of any Event of Default shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which any Pledgor is a party or to which such Inventory is subject.

SECTION 4.6. Due Authorization and Issuance. All of the Pledged Securities existing on the date hereof have been, and to the extent any Pledged Securities are hereafter issued, such Pledged Securities will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable to the extent applicable. There is no amount or other obligation owing by any Pledgor to any issuer of the Pledged Securities in exchange for or in connection with the issuance of the Pledged Securities or any Pledgor's status as a partner or a member of any issuer of the Pledged Securities.

SECTION 4.7. Consents, etc. In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other person therefor, then, upon the reasonable request of the Collateral Agent, such Pledgor agrees to use its best efforts to assist and aid the Collateral Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.8. Pledged Collateral. All information set forth herein, including the schedules hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party, including the Perfection Certificate and the schedules thereto, in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects. The Pledged Collateral described on the schedules to the Perfection Certificate constitutes all of the property of such type of Pledged Collateral owned or held by the Pledgors (other than Immaterial Intellectual Property Collateral).

SECTION 4.9. Insurance. In the event that the proceeds of any insurance claim are paid to any Pledgor after the Collateral Agent has exercised its right to foreclose after an Event of Default, such Net Cash Proceeds shall be held in trust for the benefit of the Collateral Agent and immediately after receipt thereof shall be paid to the Collateral Agent for application in accordance with the Credit Agreement.

ARTICLE V

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

Section 5.1. Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any person, accept the same in trust for the benefit of the Collateral Agent and promptly (but in any event within thirty days (or such longer period as may be determined by the Collateral Agent in its sole discretion) after receipt thereof) deliver to the Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 hereto (each, a "Pledge Amendment"), and to the extent required thereunder, the certificates and other documents required under Section 3.1 and Section 3.2 hereof in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Pledgor hereby authorizes the Collateral Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Collateral Agent shall for all purposes hereunder be considered Pledged Collateral.

Section 5.2. Voting Rights; Distributions; etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other document evidencing the Secured Obligations; provided, however, that no Pledgor shall in any event exercise such rights in any manner which could reasonably be expected to have a Material Adverse Effect.

(ii) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent not prohibited by the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to the Collateral Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be promptly (but in any event within five days (or such longer period as may be determined by the Collateral Agent in its sole discretion) after receipt thereof) delivered to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) So long as no Event of Default shall have occurred and be continuing, the Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 5.2(a)(i) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof.

(c) Upon the occurrence and during the continuance of any Event of Default and notice by the Collateral Agent:

(i) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.2(a)(i) hereof shall immediately cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof shall immediately cease and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

(d) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may request in order to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.2(c)(i) hereof and to receive all Distributions which it may be entitled to receive under Section 5.2(c)(ii) hereof.

(e) All Distributions which are received by any Pledgor contrary to the provisions of Section 5.2(c)(ii) hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

Section 5.3. Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation in any material respect of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation in any material respect thereunder. No Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organizational Documents and certificates representing such Pledged Securities that have been delivered to the Collateral Agent) which evidence any Pledged Securities of such Pledgor.

Section 5.4. Organizational Documents. Each Pledgor has delivered to the Collateral Agent true, correct and complete copies of its Organizational Documents. The Organizational Documents of each Pledgor are in full force and effect, have not as of the date hereof been amended or modified except as disclosed to the Collateral Agent, and there is no existing default by any party thereunder or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to the Collateral Agent a copy of any notice of default given or received by it under any Organizational Document within ten days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Organizational Document or make any amendment or modification to any Organizational Document except as expressly permitted by the terms of the Credit Agreement.

Section 5.5. Certain Agreements of Pledgors As Issuers and Holders of Equity Interests.

(a) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Pledgor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Organizational Document to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

Section 6.1. Grant of Intellectual Property License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article IX hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent an irrevocable, non-exclusive license and, to the extent permitted under Intellectual Property Licenses granting such Pledgor rights in Intellectual Property, sublicense (in each case, exercisable without payment of royalties or other compensation to such Pledgor) to use, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located; provided that the quality of any products in connection with which the Trademarks are used will not be materially inferior to the quality of such products prior to such Event of Default. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

Section 6.2. Protection and Maintenance of Intellectual Property Collateral. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Collateral Agent of any adverse determination in any proceeding (not including office or other matters in the ordinary course of prosecution before the United States Patent and Trademark Office or the United States Copyright Office or any foreign counterpart) or the institution of any proceeding in any federal, state or local court or administrative body or in the United States Patent and Trademark Office or the United States Copyright Office regarding any Material Intellectual Property Collateral, such Pledgor's right to register such Material Intellectual Property Collateral or its right to keep and maintain such Material Intellectual Property Collateral in full force and effect, (ii) maintain all Material Intellectual Property Collateral as presently used and operated, except as shall be consistent with commercially reasonable business judgment, (iii) not permit to lapse or become abandoned any Material

Intellectual Property Collateral, (iv) take action to prosecute infringers and violators of Material Intellectual Property Collateral, and not settle or compromise any pending or future litigation or administrative proceeding with respect to any Material Intellectual Property Collateral, in each case, except as shall be consistent with commercially reasonable business judgment, (v) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of any Material Intellectual Property Collateral, or the value or utility of the Intellectual Property of the Pledgors, taken as a whole, or the rights and remedies of the Collateral Agent in relation thereto including a levy or threat of levy or any legal process against any Material Intellectual Property Collateral, (vi) not license any Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that materially and adversely affects the right to receive payments thereunder, or in any manner that would materially impair the value of any Intellectual Property Collateral or the Lien on and security interest in the Intellectual Property Collateral created therein hereby, without the consent of the Collateral Agent, (vii) diligently keep adequate records respecting all Intellectual Property Collateral, (viii) without limiting the Collateral Agent's rights and each Pledgor's obligations under Section 6.3 below, furnish to the Collateral Agent from time to time upon the Collateral Agent's request therefor reasonably detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to any Intellectual Property Collateral as the Collateral Agent may from time to time request, (ix) use statutory notice of registration in connection with its use of registered Trademarks, prior marking practices in connection with the use of Patents, and appropriate notice of Copyright in connection with the publication of material subject to Copyrights and (x) maintain the level of quality of products sold and services rendered under any Trademarks owned by such Pledgor at a level at least consistent with the quality of such products and services as of the date hereof, and adequately control the quality of goods an services offered by any licensees of its Trademarks to maintain such standards.

Section 6.3. After-Acquired Property. If any Pledgor shall at any time after the date hereof (i) obtain any ownership or other rights in and/or to any additional Intellectual Property (including trademark applications for which evidence of the use of such trademarks in interstate commerce has been submitted to and accepted by the United States Patent and Trademark Office pursuant to 15 U.S.C. Section 1060(a) (or a successor provision)) or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property Collateral, or any improvement on any Intellectual Property Collateral, the provisions of this Agreement shall automatically apply thereto and any such item described in the preceding clause (i) or (ii) (other than any Excluded Property) shall automatically constitute Intellectual Property Collateral as if such would have constituted Intellectual Property Collateral at the time of execution hereof and such Intellectual Property (other than any Excluded Property) shall be subject to the Lien and security interest created by this Agreement without further action by any party. Each Pledgor shall promptly provide to the Collateral Agent written notice of any of the foregoing Intellectual Property owned by such Pledgor which is the subject of a registration or application and confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (i) and (ii) above by execution and delivery, within 90 days (or, in the case of Copyrights, 30 day, or, in each case, such longer period as may be determined by the Collateral Agent in its sole discretion) of the acquisition by such Pledgor of such Intellectual Property, of an instrument in form and substance reasonably acceptable to the Collateral Agent and the filing of any instruments or statements as shall be reasonably necessary to create, record, preserve, protect or perfect the Collateral Agent's lien and security interest in such Intellectual Property. Further, each Pledgor authorizes the Collateral Agent to modify this Agreement by amending Schedules 12(a) and 12(b) to the Perfection

Certificate to include any Intellectual Property Collateral of such Pledgor acquired or arising after the date hereof.

Section 6.4. Litigation. Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, the Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the reasonable request of the Collateral Agent, do any and all lawful acts and execute any and all documents requested by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly reimburse and indemnify the Collateral Agent for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 6.4 in accordance with Section 11.03 of the Credit Agreement. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the reasonable request of the Collateral Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by any person.

ARTICLE VII

CERTAIN PROVISIONS CONCERNING RECEIVABLES

Section 7.1. Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Receivable, in a manner consistent with prudent business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor’s sole cost and expense, upon the Collateral Agent’s demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Receivables, including all documents evidencing Receivables and any books and records relating thereto to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may transfer a full and complete copy of any Pledgor’s books, records, credit information, reports, memoranda and all other writings relating to the Receivables to and for the use by any person that has acquired or is contemplating acquisition of an interest in the Receivables or the Collateral Agent’s security interest therein without the consent of any Pledgor.

Section 7.2. Modification of Terms, etc. No Pledgor shall rescind or cancel any obligations evidenced by any Receivable or modify any term thereof or make any adjustment, discount, credit, rebate or reduction with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such obligations except in the ordinary course of business consistent with prudent business practice or compromise or settle any dispute, claim, suit or legal

proceeding relating thereto or sell any Receivable or interest therein except in the ordinary course of business consistent with prudent business practice without the prior written consent of the Collateral Agent. Each Pledgor shall timely fulfill all obligations on its part to be fulfilled under or in connection with the Receivables except as may be otherwise consistent with the exercise of reasonable business judgment in the ordinary course of business. If (i) any material adjustment, discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a material Receivable exists or (ii) if, to the knowledge of any Pledgor, any material dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a material Receivable, the Pledgors will promptly disclose such fact to the Collateral Agent in writing.

Section 7.3. Collection. Each Pledgor shall cause to be collected from the Account Debtor of each of the Receivables, as and when due in the ordinary course of business and consistent with prudent business practice (including Receivables that are delinquent, such Receivables to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Receivable, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable, except that any Pledgor may, with respect to a Receivable, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise and (ii) such extensions of time to pay amounts due in respect of Receivables and such other modifications of payment terms or settlements in respect of Receivables as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time. The costs and expenses (including attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Collateral Agent or any Secured Party, shall be paid by the Pledgors.

Section 7.4. Legend. Each Pledgor shall legend, at the request of the Collateral Agent and in form, substance and manner satisfactory to the Collateral Agent, the Receivables and the other books, records and documents of such Pledgor evidencing or pertaining to the Receivables with an appropriate reference to the fact that the Receivables have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

Section 7.5. Special Representations and Warranties and Covenants.

(a) As of the time when each of its Receivables arises, each Pledgor shall be deemed to have represented and warranted that such Account and all records, papers and documents relating thereto represent the legal, valid and binding obligation of the Account Debtor or other relevant obligor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such Account Debtor or obligor, arising out of the performance of labor or services or the sale, lease, license, assignment or other disposition and delivery of the goods or other property listed therein or out of an advance or a loan.

(b) The names of the obligors, amounts owing, due dates and other information with respect to each Pledgor's Receivables that are Pledged Collateral are and will be correctly stated, at the time furnished, in all records of such Pledgor relating thereto and in all invoices (if any) and each Collateral Report with respect thereto furnished to any Agent by such Pledgor from time to time.

(c) Except as disclosed on the most recent Collateral Report, (i) there are no setoffs, claims or disputes existing or asserted with respect to any Accounts referred to in such Collateral Report and no Pledgor has made any agreement with any Account Debtor for any extension of time for the

payment thereof, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance allowed by a Pledgor in the ordinary course of its business for prompt payment, (ii) to the knowledge of such Pledgor, there are no facts, events or occurrences that in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on such Pledgor's books and records and any invoices, statements and the most recent Collateral Report with respect thereto, (iii) no Pledgor has received any written notice of proceedings or actions that are threatened or pending against any Account Debtor that might result in any material adverse change in such Account Debtor's financial condition and (iv) no Pledgor has knowledge that any Account Debtor is unable generally to pay its debts as they become due.

ARTICLE VIII

TRANSFERS

Section 8.1. Transfers of Pledged Collateral. No Pledgor shall sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as not prohibited by the Credit Agreement.

ARTICLE IX

REMEDIES

Section 9.1. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may from time to time (alternatively, successively or concurrently on any one or more occasions) exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, the following remedies:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral including instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Pledged Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall

promptly (but in no event later than one Business Day after receipt thereof) pay such amounts to the Collateral Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate and dispose of, any and all investments made in whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license, liquidation or disposition;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Collateral Agent at any place or places so designated by the Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and therewith delivered to the Collateral Agent, (B) store and keep any Pledged Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral as contemplated in this Section 9.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Pledged Collateral for application to the Secured Obligations as provided in Article X hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Article X hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral;

(viii) In the Collateral Agent's own name, in the name of a nominee of the Collateral Agent, or in the name of any Pledgor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors and other obligors in respect of Receivables of such Pledgor and parties to contracts with such Pledgor, to verify with such persons, to the Collateral Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Chattel Paper, Payment Intangibles, General Intangibles, Instruments and other Receivables that are Pledged Collateral; and

(ix) Exercise all the rights and remedies of a secured party on default under the UCC, and the Collateral Agent may also in its sole discretion, without notice except as specified in Section 9.2 hereof, sell, assign or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of the Pledged Collateral or any part thereof at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such person as a credit on account of the purchase price of the Pledged Collateral or any part

thereof payable by such person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent shall not be obligated to make any sale of the Pledged Collateral or any part thereof regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which the Pledged Collateral or any part thereof may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

Section 9.2. Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of the Pledged Collateral or any part thereof shall be required by law, 10 days' prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

Section 9.3. Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of the Pledged Collateral or any part thereof, including any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article IX in the absence of gross negligence or willful misconduct on the part of the Collateral Agent. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

Section 9.4. Certain Sales of Pledged Collateral.

(a) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Collateral Agent shall have no obligation to engage in public sales.

(b) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act, and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(c) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the reasonable request of the Collateral Agent, for the benefit of the Collateral Agent, cause any registration, qualification under or compliance with any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its commercially reasonable efforts to cause such registration to be effected (and be kept effective) and will use its commercially reasonable efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority. Each Pledgor shall use its commercially reasonable efforts to cause the Collateral Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Collateral Agent such number of prospectuses, offering circulars or other documents incident thereto as the Collateral Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Collateral Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) If the Collateral Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Pledgor shall from time to time furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Collateral Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(e) Each Pledgor further agrees that a breach of any of the covenants contained in this Section 9.4 will cause irreparable injury to the Collateral Agent and the other Secured Parties, that the Collateral Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.4 shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses

against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

Section 9.5. No Waiver; Cumulative Remedies.

(a) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law or otherwise available.

(b) In the event that the Collateral Agent shall have instituted any proceeding to enforce any right, power, privilege or remedy under this Agreement or any other Loan Document by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case, the Pledgors, the Collateral Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies, privileges and powers of the Collateral Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

Section 9.6. Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred and be continuing, upon the written demand of the Collateral Agent, each Pledgor shall execute and deliver to the Collateral Agent an assignment or assignments of such Pledgor’s rights in the Intellectual Property Collateral, in recordable form with respect to those items of the Intellectual Property Collateral consisting of registered Patents, Trademarks and/or Copyrights (or applications therefor) and such other documents as are necessary or appropriate to carry out the intent and purposes hereof. Within five Business Days of written notice thereafter from the Collateral Agent, each Pledgor shall make available to the Collateral Agent, to the extent within such Pledgor’s power and authority, such personnel in such Pledgor’s employ on the date of the Event of Default as the Collateral Agent may reasonably designate to permit such Pledgor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Pledgor under the registered Patents, Trademarks and/or Copyrights of such Pledgor, and such persons shall be available to perform their prior functions on the Collateral Agent’s behalf.

ARTICLE X

APPLICATION OF PROCEEDS

Section 10.1. Application of Proceeds. Subject to the terms of the Intercreditor Agreement, the proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, in accordance with the Credit Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Concerning Collateral Agent.

(a) The Collateral Agent has been appointed as collateral agent pursuant to the Credit Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Credit Agreement. The Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

(b) The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which the Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Collateral Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any person with respect to any Pledged Collateral.

(c) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(d) Except as otherwise provided in Sections 11.17 and 11.18 hereof, if any item of Pledged Collateral also constitutes collateral granted to the Collateral Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, the Collateral Agent, in its sole discretion, shall select which provision or provisions shall control.

(e) The Collateral Agent may rely on advice of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in Section 5.13 of the Credit Agreement. If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party

for any failure to maintain a perfected security interest in such Pledgor's property constituting Pledged Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

Section 11.2. Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement (including such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay and discharge any taxes, assessments and special assessments, levies, fees and governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law against, all or any portion of the Pledged Collateral, (iii) make repairs, (iv) discharge Liens or (v) pay or perform any obligations of such Pledgor under any Pledged Collateral) or if any representation or warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that the Collateral Agent shall in no event be bound to inquire into the validity of any tax, Lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions of the Credit Agreement. Any and all amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 11.03 of the Credit Agreement. Neither the provisions of this Section 11.2 nor any action taken by the Collateral Agent pursuant to the provisions of this Section 11.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full power and authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement, this Agreement and the other Security Documents which the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof (but the Collateral Agent shall not be obligated to and shall have no liability to such Pledgor or any third party for failure to so do or take action). The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 11.3. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other persons (including any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Credit Agreement. Each of the Pledgors agrees that its obligations hereunder and the security interest created hereunder shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured Obligations is rescinded or must otherwise be restored by the Secured Party upon the bankruptcy or reorganization of any Pledgor or otherwise.

Section 11.4. Termination; Release. When all the Secured Obligations (other than Treasury Obligations) have been paid in full, all Treasury Obligations have been paid in full or otherwise collateralized in a manner satisfactory to the holders and providers of the Treasury Obligations, in their sole discretion, and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated and all Letters of Credit have been terminated or cash collateralized in accordance with the provisions of the Credit Agreement, this Agreement shall terminate. Upon termination of this Agreement the Pledged Collateral shall be released from the Lien of this Agreement. Upon such release or any release of Pledged Collateral or any part thereof in accordance with the provisions of the Credit Agreement, the Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to the relevant Pledgor, against receipt and without recourse to or warranty by the Collateral Agent except as to the fact that the Collateral Agent has not encumbered the released assets, such of the Pledged Collateral or any part thereof to be released (in the case of a release) as may be in possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including any necessary UCC-3 termination financing statements or releases) acknowledging the termination hereof or the release of such Pledged Collateral, as the case may be.

Section 11.5. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Secured Obligations, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

Section 11.6. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Administrative Borrower set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 11.6.

Section 11.7. Governing Law, Consent to Jurisdiction and Service of Process; Waiver of Jury Trial. Sections 11.09 and 11.10 of the Credit Agreement are incorporated herein, *mutatis mutandis*, as if a part hereof.

Section 11.8. Severability of Provisions. Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

Section 11.9. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to

be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.10. Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

Section 11.11. No Credit for Payment of Taxes or Imposition. Such Pledgor shall not be entitled to any credit against the principal, premium, if any, or interest payable under the Credit Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Tax on the Pledged Collateral or any part thereof.

Section 11.12. No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Pledged Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.

Section 11.13. No Release. Nothing set forth in this Agreement or any other Loan Document, nor the exercise by the Collateral Agent of any of the rights or remedies hereunder, shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Pledged Collateral by reason of this Agreement, nor shall the Collateral Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Pledgor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Pledged Collateral hereunder. The obligations of each Pledgor contained in this Section 11.13 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents.

Section 11.14. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any other Pledgor;

(ii) any lack of validity or enforceability of the Credit Agreement or any other Loan Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement or any other Loan Document or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Credit Agreement or any other Loan Document; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

Section 11.15. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

Section 11.16. Delivery of Collateral. Prior to the Discharge of Term Loan Obligations, to the extent any Pledgor is required hereunder to deliver Pledged Collateral that is Term Loan Priority Collateral to the Collateral Agent for purposes of possession and control and is unable to do so as a result of having previously delivered such Pledged Collateral to any of the Term Loan Agents in accordance with the terms of the Term Loan Security Documents, such Pledgor’s obligations hereunder with respect to such delivery shall be deemed satisfied by the delivery to such Term Loan Agents, acting as a gratuitous bailee and/or sub-agent of the Collateral Agent in accordance with the terms of the Intercreditor Agreement.

Section 11.17. Mortgages. In the case of a conflict between this Agreement and the Mortgages with respect to Pledged Collateral that is real property (including Fixtures), the Mortgages shall govern. In all other conflicts between this Agreement and the Mortgages, this Agreement shall govern.

Section 11.18. Conflicts.

(a) In the case of any conflict between this Agreement and the Credit Agreement, the provisions of the Credit Agreement shall govern.

(b) In the case of a conflict between this Agreement and the Canadian Security Agreement, solely with respect to the Canadian Borrower, the provisions of the Canadian Security Agreement shall govern.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each Pledgor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

NOVELIS INC., as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

NOVELIS CORPORATION, as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS PAE CORPORATION, as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS FINANCES USA LLC, as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Authorized Signatory

NOVELIS SOUTH AMERICA HOLDINGS LLC, as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

ALUMINUM UPSTREAM HOLDINGS LLC, as a Pledgor

By: /s/ Orville Lunking
Name: Orville G. Lunking
Title: Vice President and Treasurer

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LASALLE BUSINESS CREDIT, LLC,
as Collateral Agent

By: /s/ Steve Friedlander
Name: Steve Friedlander
Title: S.V.P.

EXHIBIT 1

ISSUER’S ACKNOWLEDGMENT

The undersigned hereby (i) acknowledges as of this ___ day of _______________, 20 _____, receipt of the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement;” capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporation Act, NOVELIS CORPORATION, a Texas corporation, NOVELIS PAE CORPORATION, a Delaware corporation, NOVELIS FINANCES USA LLC, a Delaware limited liability company, NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company, and ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company and the Guarantors party thereto, in favor of LASALLE BUSINESS CREDIT, LLC, as collateral agent (in such capacity and together with any successors in such capacity, the “Collateral Agent”), (ii) agrees promptly to note on its books the security interests granted to the Collateral Agent and confirmed under the Security Agreement, (iii) agrees that it will comply with instructions of the Collateral Agent with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees to notify the Collateral Agent upon obtaining knowledge of any interest in favor of any person in the applicable Securities Collateral that is adverse to the interest of the Collateral Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Security Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Collateral Agent or its nominee or the exercise of voting rights by the Collateral Agent or its nominee.

[ ]

By: ____________________________________
Name:
Title:

EXHIBIT 2

SECURITIES PLEDGE AMENDMENT

This Securities Pledge Amendment, dated as of [ ] ("Securities Pledge Amendment"), is delivered by [ ] (the "Pledgor"), in favor of LASALLE BUSINESS CREDIT, LLC, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), pursuant to Section 5.1 of the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporation Act, NOVELIS CORPORATION, a Texas corporation, NOVELIS PAE CORPORATION, a Delaware corporation, NOVELIS FINANCES USA LLC, a Delaware limited liability company, NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company, and ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company and the Guarantors party thereto, in favor of LASALLE BUSINESS CREDIT, LLC, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent").

As collateral security for the payment and performance in full of all the Secured Obligations, the Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of the Pledgor in, to and under the Pledged Securities and Intercompany Notes listed on this Securities Pledge Amendment and all Proceeds of any and all of the foregoing (other than Excluded Property).

The Pledgor hereby agrees that this Securities Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Securities Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS SECURITIES PLEDGE AMENDMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS SECURITIES PLEDGE AMENDMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE

[ ],
as Pledgor

By: ______________________________
Name:
Title:

AGREED TO AND ACCEPTED:

LASALLE BUSINESS CREDIT, LLC,
as Collateral Agent

By: ______________________________
Name:
Title:

EXHIBIT 3

JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

____
____
____
____

Ladies and Gentlemen:

Reference is made to the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of July 6, 2007, made by NOVELIS INC., a corporation formed under the Canada Business Corporations Act, NOVELIS CORPORATION, a Texas corporation, NOVELIS PAE CORPORATION, a Delaware corporation, NOVELIS FINANCES USA LLC, a Delaware limited liability company, NOVELIS SOUTH AMERICA HOLDINGS LLC, a Delaware limited liability company, and ALUMINUM UPSTREAM HOLDINGS LLC, a Delaware limited liability company and the Guarantors party thereto, in favor of LASALLE BUSINESS CREDIT, LLC, as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent").

This Joinder Agreement ("Joinder Agreement") supplements the Security Agreement and is delivered by the undersigned, [ ] (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor party to the Security Agreement by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the date of the Security Agreement. The New Pledgor also hereby agrees to be bound as a party by all of the terms, covenants and conditions applicable to it set forth in Articles V, VI and VII of the Credit Agreement to the same extent that it would have been bound if it had been a signatory to the Credit Agreement on the execution date of the Credit Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby grants and pledges to the Collateral Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, a lien on and security interest in, all of its right, title and interest in, to and under the Pledged Collateral and expressly assumes all obligations and liabilities of a Guarantor and Pledgor thereunder. The New Pledgor hereby makes each of the

representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Security Agreement and the Credit Agreement.

Annexed hereto are supplements to each of the schedules to the Security Agreement and the Credit Agreement, as applicable, with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement or the Credit Agreement, as applicable.

This Joinder Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS JOINDER AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS JOINDER AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS JOINDER AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the New Pledgor has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: ______________________________

Name:

Title:

AGREED TO AND ACCEPTED:

LASALLE BUSINESS CREDIT, LLC,
as Collateral Agent

By: ______________________________

Name:

Title:

[Schedules to be attached]

EXHIBIT 4

COPYRIGHT SECURITY AGREEMENT

COPYRIGHT SECURITY AGREEMENT, dated as of [__________] ("Copyright Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of LASALLE BUSINESS CREDIT, LLC, a limited liability company located at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Copyright Security Agreement, the term "Copyrights" shall mean, collectively, all copyrights (whether statutory or common law, whether established, registered or recorded in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all mask works (as such term is defined in 17 U.S.C. Section 901, *et seq.*), together with any and all (i) copyright registrations and applications, (ii) rights and privileges arising under applicable law with respect to such copyrights, (iii) renewals and extensions thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

SECTION 2. Grant of Security Interest in Copyright Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Copyright Collateral"):

(a) all Copyrights of such Assignor, including, without limitation, the registered and applied-for Copyrights of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) and (b) above, the security interest created by this Copyright Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Copyrights made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Copyright Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the United States Copyright Office record this Copyright Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated and all Letters of Credit have been terminated or cash collateralized in accordance with the provisions of the Credit Agreement, this Copyright Security Agreement shall terminate. Upon termination of this Copyright Security Agreement the Pledged Copyright Collateral shall be released from the Lien of this Copyright Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Copyright Collateral from the Lien of this Copyright Security Agreement.

SECTION 6. Counterparts. This Copyright Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Copyright Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Copyright Security Agreement.

SECTION 7. Governing Law. This Copyright Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS COPYRIGHT SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT

OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS COPYRIGHT SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each Assignor has caused this Copyright Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][1]

By: ______________________________
Name:
Title:

Accepted and Agreed:

LASALLE BUSINESS CREDIT, LLC,
as Assignee

By: ______________________________
Name:
Title:

---

[1] This document needs only to be executed by Pledgors that hold registered or applied-for Copyrights that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
COPYRIGHT SECURITY AGREEMENT
COPYRIGHT REGISTRATIONS AND COPYRIGHT APPLICATIONS

Copyright Registrations:

OWNER	REGISTRATION NUMBER	TITLE OF WORK

Copyright Applications:

OWNER	TITLE OF WORK

EXHIBIT 5

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of [__________] ("Patent Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of LASALLE BUSINESS CREDIT, LLC, a limited liability company located at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Patent Security Agreement, the term "Patents" shall mean, collectively, all patents, patent applications, certificates of inventions, industrial designs and rights corresponding thereto throughout the world (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to any of the foregoing, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements or other violations thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements or other violations thereof.

SECTION 2. Grant of Security Interest in Patent Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Patent Collateral"):

(a) all Patents of such Assignor, including, without limitation, the registered and applied-for Patents of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) and (b) above, the security interest created by this Patent Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Patents made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Patent Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the Commissioner of Patents and Trademarks record this Patent and Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated and all Letters of Credit have been terminated or cash collateralized in accordance with the provisions of the Credit Agreement, this Patent Security Agreement shall terminate. Upon termination of this Patent Security Agreement the Pledged Patent Collateral shall be released from the Lien of this Patent Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Patent Collateral from the Lien of this Patent Security Agreement.

SECTION 6. Counterparts. This Patent Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Patent Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Patent Security Agreement.

SECTION 7. Governing Law. This Patent Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS PATENT SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF

ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS PATENT SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

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IN WITNESS WHEREOF, each Assignor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][2]

By: ______________________________
Name:
Title:

Accepted and Agreed:

LASALLE BUSINESS CREDIT, LLC,
as Assignee

By: ______________________________
Name:
Title:

2 This document needs only to be executed by Pledgors that hold registered or applied-for Patents that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
PATENT SECURITY AGREEMENT
PATENT REGISTRATIONS AND PATENT APPLICATIONS

Patent Registrations:

OWNER	REGISTRATION NUMBER	NAME

Patent Applications:

OWNER	APPLICATION NUMBER	NAME

EXHIBIT 6

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of [__________] ("Trademark Security Agreement"), by [__________] and [__________] (individually, an "Assignor", and, collectively, the "Assignors"), in favor of LASALLE BUSINESS CREDIT, LLC, a limited liability company located at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Assignee").

WITNESSETH:

WHEREAS, the Assignors are party to a Security Agreement of even date herewith (the "Security Agreement") in favor of the Assignee pursuant to which the Assignors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor and the Assignee hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement. For purposes of this Trademark Security Agreement, the term "Trademarks" shall mean, collectively, all trademarks (including service marks and certification marks), slogans, logos, certification marks, trade dress, Internet Domain Names, corporate names and trade names, whether registered or unregistered (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), together with any and all (i) registrations and applications for any of the foregoing, (ii) goodwill connected with the use thereof and symbolized thereby, (iii) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (iv) reissues, continuations, extensions and renewals thereof and amendments thereto, (v) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, (vi) rights corresponding thereto throughout the world and (vii) rights to sue for past, present and future infringements, dilutions or other violations thereof.

SECTION 2. Grant of Security Interest in Trademark Collateral. As collateral security for the payment and performance in full of all the Secured Obligations, each Assignor hereby pledges and grants to the Assignee for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Assignor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Trademark Collateral"):

(a) all Trademarks of such Assignor, including, without limitation, the registered and applied-for Trademarks of such Assignor listed on Schedule I attached hereto; and

(b) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Assignor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (a) through (c) above, the security interest created by this Trademark Security Agreement shall not extend to any Excluded Property.

SECTION 3. Security Agreement. The lien and security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the lien and security interest granted to the Assignee pursuant to the Security Agreement and Assignors hereby acknowledge and affirm that the rights and remedies of the Assignee with respect to the lien and security interest in the Trademarks made and granted hereby are more fully set forth in the Security Agreement. In the event that any provision of this Trademark Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control unless the Assignee shall otherwise determine.

SECTION 4. Recordation. Each Assignor hereby authorizes and requests that the Commissioner of Patents and Trademarks record this Trademark Security Agreement.

SECTION 5. Termination. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated and all Letters of Credit have been terminated or cash collateralized in accordance with the provisions of the Credit Agreement, this Trademark Security Agreement shall terminate. Upon termination of this Trademark Security Agreement the Pledged Trademark Collateral shall be released from the Lien of this Trademark Security Agreement and upon the request and at the sole cost and expense of the Assignors, the Assignee shall execute, acknowledge, and deliver to the Assignors an instrument in writing in recordable form releasing the Pledged Trademark Collateral from the Lien of this Trademark Security Agreement.

SECTION 6. Counterparts. This Trademark Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Trademark Security Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Trademark Security Agreement.

SECTION 7. Governing Law. This Trademark Security Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. INTERCREDITOR AGREEMENT GOVERNS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE ASSIGNEE, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS TRADEMARK SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ASSIGNEE AND THE OTHER SECURED PARTIES HEREUNDER

ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THIS TRADEMARK SECURITY AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each Assignor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[ASSIGNORS][3]

By: ______________________________
Name:
Title:

Accepted and Agreed:

LASALLE BUSINESS CREDIT, LLC,
as Assignee

By: ______________________________
Name:
Title:

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3 This document needs only to be executed by Pledgors that hold registered or applied-for Trademarks that are subject to the Lien of the Security Agreement.

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS AND TRADEMARK APPLICATIONS

Trademark Registrations:

OWNER	REGISTRATION NUMBER	TRADEMARK

Trademark Applications:

OWNER	APPLICATION NUMBER	TRADEMARK

EXHIBIT 7

FORM OF BAILEE LETTER

LaSalle Business Credit, LLC, as Agent
135 South LaSalle Street, Suite 425
Chicago, Illinois 60603
Attention: Account Officer
Facsimile No: 312-904-6450

Re: [_______________]

[__________] (the "Bailor"), a [__________] and a subsidiary of Novelis Inc. (the "Parent"), now does or hereafter may deliver to certain premises [managed][owned] by [_______________] (the "Bailee"), a [__________], on behalf of the Bailor as owner and located at [__________] (the "Premises"), certain of its [DESCRIBE PROPERTY SUBJECT TO BAILMENT] for [DESCRIBE PURPOSE FOR WHICH PROPERTY HAS BEEN DELIVERED TO BAILEE].

The Parent and certain of its Subsidiaries (collectively, the "Borrowers") have entered into financing arrangements with certain financial institutions (the "Lenders"), pursuant to a Credit Agreement, dated as of July 6, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") for which LaSalle Business Credit, LLC shall act as collateral agent (the "Agent"). As a condition to the Agent's and the Lenders' loans and other financial accommodations to the Borrowers (as defined in the Credit Agreement), the Agent and the Lenders require, among other things, liens on all of the Bailor's property located on the Premises, and the proceeds thereof (the "Collateral").

To induce the Agent and the Lenders (together with their respective agents and assigns) to enter into said financing arrangements, and for other good and valuable consideration, the Bailee hereby acknowledges receipt of the above notice, and hereby further agrees that:

(i) title to the Collateral remains with the Bailor while the Collateral is in the custody, control or possession of the Bailee, the undersigned, to the best of its knowledge without special inquiry, does not know of any security interest or claim with respect to such goods or proceeds, other than the security interest which is the subject of this Agreement, and the Bailee will not assert against the Collateral any lien, right of distraint or levy, right of offset, claim, deduction, counterclaim, security or other interest in the Collateral, including any of the foregoing which might arise or exist in its favor pursuant to any agreement, common law, statute (including the Federal Bankruptcy Code) or otherwise, all of which the undersigned hereby subordinates in favor of the Agent;

(ii) the Collateral shall be clearly identified or identifiable as being owned by the Bailor and is distinguishable from the property of the Bailee and other property in its possession;

(iii) none of the Collateral located on the Premises shall be permitted to become a fixture to the Premises;

(iv) the Bailee has not issued, and shall not issue, any negotiable documents or other negotiable instruments in respect of any Collateral;

(v) if any Borrower defaults on its obligations to the Agent and the Lenders, subject to any grace period, and, as a result, the Agent undertakes to enforce its security interest in the Collateral, the Bailee, upon receipt of reasonable written confirmation of the currency and existence of a default (a) will hold the Collateral for the Agent's account for the benefit of the Lenders, and release the Collateral only to the Agent or its designee, (b) will permit the Agent to enter the Premises upon reasonable notice and during regular business hours and without unduly interrupting the Bailee's operations, to inspect, assemble, take possession of, and remove all of the Collateral located on the Premises and will reasonably cooperate with the Agent in its efforts to do so; (c) will permit the Collateral to remain on the Premises for forty-five (45) days after the Agent notifies the Bailee in writing of the default, or, at the Agent's option, to remove the Collateral from the Premises within a reasonable time, not to exceed forty-five (45) days after the Agent notifies the undersigned in writing of the default; (d) will not hinder the Agent's actions in enforcing its liens on the Collateral; and (e) after the Agent notifies the Bailee in writing of the default, will, without further consent or agreement of the Bailor, abide solely by Agent's lawful instructions with respect to the Collateral, and not those of the Bailor and

(vi) the Bailee hereby waives and releases, for Agent's benefit, any and all claims, liens, including bailee's liens, and demands of every kind which Bailee has or may later have against the Collateral (including any right to include such goods in any secured financing to which Bailee may become party).

The Bailee hereby irrevocably and unconditionally authorizes Agent (or its designee) to file at any time prior to the payment in full of the Secured Obligations (as defined in the Credit Agreement) in any jurisdiction and with such filing offices as the Agent so chooses such financing statements naming the Bailee as the debtor consignee, the Bailor as the secured party consignor, and the Agent as assignee, describing the Collateral in a manner that Agent believes is reasonably necessary or desirable to protect its security interest in the Bailor's property, and including any other information with respect to the Bailee required under the Uniform Commercial Code for the sufficiency of such financing statement or for it to be accepted by the filing office of any applicable jurisdiction (and any amendments or continuations with respect thereto); provided, however, Agent shall provide to Bailor for review copies of any such filings to be made, sufficiently in advance of filing and once filed, final copies of such filings.

Any notice(s) required or desired to be given hereunder shall be directed to the party to be notified at the address stated herein.

The agreements contained herein shall continue in force until each Borrower's obligations and liabilities to the Agent and the Lenders are paid and satisfied in full and all financing arrangements among the Agent, the Lenders and the Borrowers have been terminated.

The consent of the Bailor hereto constitutes its acknowledgment that Agent may assert any of the rights set forth or referred to herein, without objection by the Bailor, and that the Bailee may act in accordance with this Agreement without liability to the Bailor. By its signature below, the Bailor agrees to reimburse the Bailee for all reasonable costs and expenses incurred by the Bailee as a direct result of compliance with this Agreement.

The Bailee will notify all successor owners, transferees, purchasers and mortgagees of the Premises of the existence of this waiver. The agreements contained herein may not be modified or terminated orally and shall be binding upon the successors, assigns and personal representatives of the undersigned.

[*Signature pages follow*]

This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. The undersigned hereby waives notice of acceptance of this Agreement by Agent.

Executed and delivered this ___ day of __________, 20___.

[_____________]
[Address]

By: ______________________________
Name:
Title:

CONSENTED AND AGREED TO:

[_____________]
[Address]

By: ______________________________
Title:

ACKNOWLEDGED AND ACCEPTED:

LASALLE BUSINESS CREDIT, LLC, as Agent
135 South LaSalle Street, Suite 425
Chicago, Illinois 60603
Attention: Account Officer
Facsimile No: 312-904-6450

By: ______________________________
Name:
Title:

Exhibit 31.1

Section 302 Certification of Principal Executive Officer

I, Martha Finn Brooks, President and Chief Operating Officer of Novelis Inc. (Novelis), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novelis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ Martha Finn Brooks
Martha Finn Brooks
President and Chief Operating Officer
(Principal Executive Officer)

Exhibit 31.2

Section 302 Certification of Principal Financial Officer

I, Steven Fisher, Chief Financial Officer of Novelis Inc. (Novelis), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novelis;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ Steven Fisher

Steven Fisher
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Section 906 Certification of Principal Executive Officer

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (the Company), hereby certifies that the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2007 (the Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martha Finn Brooks

Martha Finn Brooks
President and Chief Operating Officer
(Principal Executive Officer)

Date: November 9, 2007

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

Exhibit 32.2

Section 906 Certification of Principal Financial Officer

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (the Company), hereby certifies that the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2007 (the Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven Fisher
Steven Fisher
Chief Financial Officer
(Principal Financial Officer)

Date: November 9, 2007

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.