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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**Amendment No. 4 to**  
**Form 10**  
**GENERAL FORM FOR REGISTRATION OF SECURITIES**  
**PURSUANT TO SECTION 12(b) OR (g) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

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**NOVELIS INC.**

*(Exact name of registrant as specified in its charter)*

**Canada**

*(State or other jurisdiction of  
incorporation or organization)*

*(I.R.S. Employer  
Identification Number)*

**1188 Sherbrooke Street West  
Montreal, Quebec**

*(Address of principal executive offices)*

**H3A 3G2**  
*(Zip Code)*

**Registrant's telephone number, including area code:**

**(514) 848-8000**

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

*TITLE OF EACH CLASS  
TO BE SO REGISTERED*

*NAME OF EACH EXCHANGE ON WHICH  
EACH CLASS IS TO BE REGISTERED*

**Common Shares, no par value  
Common Share Purchase Rights**

**The New York Stock Exchange  
The New York Stock Exchange**

**Securities to be registered pursuant to Section 12(g) of the Act:**

**None**

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NOVELIS INC.

I. INFORMATION INCLUDED IN INFORMATION STATEMENT

AND INCORPORATED IN FORM 10 BY REFERENCE

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT

AND ITEMS OF FORM 10

Other than as provided below, the information required to be provided in this registration statement on Form 10 is incorporated by reference to our U.S. information statement which includes excerpts from our non-offering prospectus prepared for filing with provincial and territorial securities regulators in Canada to enable us to become a reporting issuer under applicable securities legislation. This information statement may be found as Exhibit 99.1 to this Form 10. For your convenience, below we have provided a cross-reference sheet identifying where the items required by Form 10 can be found in the information statement.

Item No.	Caption	Location in Information Statement
1	Business	“Enforceability of Certain Civil Liabilities”; “Explanatory Information”; “Summary”; “Risk Factors”; “Our Business”; “Arrangements Between Novelis and Alcan”; “Capitalization”; “Management’s Discussion and Analysis of Financial Condition and Results of Operations”; and “Additional Information”
2	Financial Information	“Summary”; “Selected Combined Financial Data”; “Unaudited Pro Forma Combined Financial Data”; and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”
3	Properties	“Our Business — Our business groups”
4	Securities Ownership of Certain Beneficial Owners and Management	“Management”; and “Ownership of Our Shares”
5	Directors and Executive Officers	“Management”
6	Executive Compensation	“Management”; and “Ownership of Our Shares”
7	Certain Relationships and Related Transactions	“Arrangements Between Novelis and Alcan”; and “Certain Relationships and Related Transactions”
8	Legal Proceedings	“Our Business — Legal proceedings”
9	Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters	“Summary”; “Capitalization”; “Dividend Policy”; “Description of Our Share Capital”; “Certain Canadian and United States Income Tax Considerations”; and “Shares Eligible for Future Sale”
10	Recent Sales of Unregistered Securities	Not Included (See Part II below)
11	Description of Registrant’s Securities to be Registered	“Dividend Policy”; “Certain Canadian and United States Income Tax Considerations”; and “Description of Our Share Capital”
12	Indemnification of Directors and Officers	“Indemnification of Directors and Officers”
13	Financial Statements and Supplementary Data	“Unaudited Pro Forma Combined Financial Data”; “Index to Unaudited Interim Combined Financial Statements”; and “Index to Audited Combined Financial Statements” and the statements referenced thereon

Item No.	Caption	Location in Information Statement
14	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable
15	Financial Statements and Exhibits	“Unaudited Pro Forma Combined Financial Data”; “Index to Unaudited Interim Combined Financial Statements”; and “Index to Audited Combined Financial Statements” and the statements referenced thereon (See also Part II below)

## II. INFORMATION NOT INCLUDED IN INFORMATION STATEMENT

### Item 10. Recent Sales of Unregistered Securities

We were incorporated in Canada on September 21, 2004. On the date of separation and pursuant to the reorganization transactions, as those terms are used in the information statement filed as Exhibit 99.1 to this registration statement on Form 10, we will issue special shares to Alcan Inc. in consideration for common shares of Arcustarget Inc., a Canadian corporation. The special shares will be redeemed shortly after their issuance and cancelled. The issuance of our special shares to Alcan will be exempt from registration under the Securities Act of 1933, as amended, or the Securities Act, pursuant to Section 4(2) thereof because such issuance will not involve any public offering of securities.

### Item 15. Financial Statements and Exhibits

- (a) Financial statements filed as part of this registration statement (page references are to pages of the information statement filed as Exhibit 99.1 to this registration statement):

<b>Audited combined financial statements</b>	
Auditors' report	F-2
Combined statements of income	F-3
Combined balance sheets	F-4
Combined statements of cash flows	F-5
Combined statements of invested equity	F-6
Notes to combined financial statements	F-7
<b>Unaudited interim combined financial statements</b>	
Interim combined statements of income (unaudited)	F-53
Interim combined balance sheets (unaudited)	F-54
Interim combined statements of cash flows (unaudited)	F-56
Notes to interim combined financial statements (unaudited)	F-57

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

- (b) Exhibits:

Exhibit No.	Description
3.1	Certificate and Articles of Incorporation of Novelis Inc.***
3.2	By-law No. 1 of Novelis Inc.***
4.1	Form of Shareholder Rights Agreement between Novelis Inc. and CIBC Mellon Trust Company***
4.2	Specimen Certificate of Novelis Inc. Common Shares*
10.1	Form of Separation Agreement between Alcan Inc. and Novelis Inc.***
10.2	Form of Metal Supply Agreement between Novelis Inc., as Purchaser, and Alcan Inc., as Supplier, for the supply of remelt aluminum ingot**†
10.3	Form of Molten Metal Supply Agreement between Novelis Inc., as Purchaser, and Alcan Inc., as Supplier, for the supply of molten metal to Purchaser's Saguenay Works facility**†
10.4	Form of Metal Supply Agreement between Novelis Inc., as Purchaser, and Alcan Inc., as Supplier, for the supply of sheet ingot in North America**†
10.5	Form of Metal Supply Agreement for the supply of sheet ingot in Europe*
10.6	Ingot Supply Agreement dated January 2004 between Alcan Inc. and Alcan Taihan Aluminum***

Exhibit No.	Description
10.7	Form of Alumina Supply Agreement between Novelis Do Brasil Ltda and Alcan Alumina Ltda***
10.8	Alumina Raw Materials Contract dated as of June 1, 1998 between Alcan Deutschland GmbH and Alcan Aluminum Limited (now known as Alcan Inc.)***
10.9	Form of Foil Supply Agreement between Novelis Deutschland GmbH, as Supplier, and Alcan Packaging Rorschach AG, as Purchaser, in connection with Alcan's operations at Rorschach, Switzerland**†
10.10	Form of Foil Supply Agreement between Novelis Do Brasil Ltda, as Supplier, and Alcan Embalagens Do Brasil Ltda, as Purchaser, in connection with Novelis' operations at Utinga, Santo André, São Paulo State, Brazil, South America***
10.11	Form of Conversion Agreement between Novelis Deutschland GmbH and Alcan Packaging Singen GmbH***
10.12	Purchase Agreement, dated January 31, 2002, among Tscheulin Rothal GmbH, Société Alsacienne d'Aluminium SA, BP Europack SpA and Rotopak Matbaacilik Ambalaj Sanayi ve Ticaret A.S. as Buyer, and Pechiney Eurofoil Luxembourg, Pechiney Eurofoil Belgium and Pechiney Rhenalu as Seller***
10.13	Foil Supply Agreement among Soplaril, S.A., Pechiney Emballage Flexible Europe, as Buyer, and Pechiney Rhenalu, Pechiney Eurofoil Luxembourg and Pechiney Eurofoil Belgium, as Seller***
10.14	Form of Tax Sharing and Disaffiliation Agreement*
10.15	Form of Transitional Services Agreement between Alcan Inc. and Novelis Inc.***
10.16	Form of Employee Matters Agreement between Alcan Inc. and Novelis Inc.**
10.17	Form of Agreement for Assignment of Trademarks**
10.18	Form of Separation Agreement between Alcan Aluminum Valais SA and Novelis Valais SA in connection with facilities located in Sierre, Switzerland***
10.19	Form of Principal Intellectual Property Agreement between Alcan International Limited and Novelis Inc.**†
10.20	Form of Secondary Intellectual Property Agreement between Novelis Inc. and Alcan International Limited**†
10.21	Form of Technical Services Agreement between Novelis Technology AG and Alcan Technology & Management AG with respect to the research and development facilities located in Neuhausen, Switzerland***
10.22	Form of Technical Services Agreement between Novelis Inc. and Alcan International Limited with respect to the research and development facilities located in Arvida, Quebec (Canada) and in Kingston, Ontario (Canada)**†
10.23	Form of Technical Services Agreement between Novelis Do Brasil Ltda. and Alcan International Limited with respect to the technical services to the Aratu, Petrocoque and Ouro Preto facilities located in Brazil, South America**†
10.24	Form of Technical Services Agreement between Novelis PAE Voreppe and Pechiney Centre de Recherches de Voreppe with respect to the research and development facilities and to the manufacturing facilities both located in Voreppe (France)**†
10.25	Form of Ohle Tolling Agreement*
10.26	Form of Electricity Purchase Agreement between Novelis Inc. and Alcan, Énergie Électrique, a division of Alcan Inc.***
10.27	Form of Separation Agreement between Alcan Technology & Management AG and Novelis Technology AG in connection with the facility located in Neuhausen, Switzerland***

Exhibit No.	Description
10.28	Form of Foil Supply and Distribution Agreement between Alcan Inc. and Novelis Foil Products, a division of Novelis Inc.***
10.29	Form of Agreement with respect to dispute resolution between Novelis Inc., Novelis Foil France, Novelis PAE Voreppe, Novelis Specialties France, Annecy, Novelis Luxembourg SA, Novelis Do Brasil Ltda, Arcustarget Inc., Alcan Inc., Alcan Corporation, Alcan Aluminum Corporation, Alcan International Limited and Pechiney Centre de Recherches de Voreppe***
10.30	Form of Joint Procurement of Goods and Services Protocol between Alcan Inc. and Novelis Inc.***
10.31	Form of Master Metal Hedging Agreement between Alcan Inc. and Novelis Inc.**†
10.32	Employment Agreement of Brian W. Sturgell**
10.33	Employment Agreement of Martha Finn Brooks**
10.34	Employment Agreement of Chris Bark-Jones*
10.35	Employment Agreement of Pierre Arseneault**
10.36	Employment Agreement of Geoffrey P. Batt**
10.37	Form of Change of Control Agreement between Alcan Inc. and executive officers of Novelis Inc.**
21.1	Amended list of subsidiaries of Novelis Inc.**
99.1	Information Statement***
99.2	Alcan Inc. management's proxy circular***

\* Exhibit will be filed by an amendment.

\*\* Exhibit filed herewith.

\*\*\* Exhibit previously filed.

† Confidential treatment requested for certain portions of this Exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission.



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\*\* Exhibit filed herewith.

\*\*\* Exhibit previously filed.

† Confidential treatment requested for certain portions of this Exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission.

METAL SUPPLY AGREEMENT

between  
NOVELIS INC.  
(as Purchaser)  
and  
ALCAN INC.  
(as Supplier)

FOR THE SUPPLY OF REMELT ALUMINUM INGOT

DATED DECEMBER \_\_\_\_, 2004, WITH EFFECT AS OF THE EFFECTIVE DATE

-ii-

TABLE OF CONTENTS

<TABLE>  
<CAPTION>

<S>		<C>
1.	DEFINITIONS AND INTERPRETATION.....	1
1.1	Definitions.....	1
1.2	Currency.....	5
1.3	Vienna Convention.....	5
2.	ALUMINUM.....	6

2.1	Supply and Sale by the Supplier.....	6
2.2	Purchase by the Purchaser.....	6
2.3	Notification of Quantities of Aluminum Required by the Purchaser.....	6
2.4	Scheduling of Quantities.....	7
2.5	Supplier's Shipping Obligations.....	7
2.6	Price.....	8
2.7	Quality.....	8
2.8	Payment.....	9
2.9	Delivery.....	10
2.10	Title and Risk of Loss.....	10
2.11	Purchaser as Principal.....	10
3.	FORCE MAJEURE.....	10
3.1	Effect of Force Majeure.....	10
3.2	Definition.....	10
3.3	Notice.....	11
3.4	Pro Rata Allocation.....	11
3.5	Consultation.....	11
3.6	Termination.....	11
4.	ASSIGNMENT.....	12
4.1	Prohibition on Assignments.....	12
4.2	Assignment within Alcan Group or Novelis Group.....	12
5.	TERM AND TERMINATION.....	12
5.1	Effectiveness.....	12
5.2	Term.....	13
5.3	Extension.....	13
5.4	Termination.....	13
6.	EVENTS OF DEFAULT.....	13
7.	REPRESENTATIONS AND WARRANTIES.....	14
8.	CONFIDENTIALITY.....	14
9.	DISPUTE RESOLUTION.....	14
9.1	Disputes.....	14

</TABLE>

<TABLE>  
<CAPTION>

<S>		<C>
9.2	Continuing Obligations.....	15
10.	MISCELLANEOUS.....	15
10.1	Construction.....	15
10.2	Payment Terms.....	15
10.3	Notices.....	15
10.4	Governing Law.....	16
10.5	Judgment Currency.....	16
10.6	Entire Agreement.....	17
10.7	Conflicts.....	17
10.8	Severability.....	17
10.9	Survival.....	17
10.10	Execution in Counterparts.....	17
10.11	Amendments.....	17
10.12	Waivers.....	18
10.13	No Partnership.....	18
10.14	Taxes, Royalties and Duties.....	18
10.15	Limitations of Liability.....	18

</TABLE>

SCHEDULES

- 1 Contract Tonnage and Estimated Requirement and Shipping Schedule for Contract Year and for First Three Calendar Months
- 2 Aluminum Specifications

METAL SUPPLY AGREEMENT

THIS AGREEMENT entered into in the City of Montreal, Province of Quebec, is dated December \_\_\_\_, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS" or the "PURCHASER");

AND: ALCAN INC., a corporation organized under the Canada Business Corporations Act ("ALCAN" or the "SUPPLIER").

RECITALS:

WHEREAS Alcan and Novelis have entered into a Separation Agreement pursuant to which they set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein), such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS the Supplier wishes to supply, and the Purchaser wishes to purchase, subject to the terms and conditions of this Agreement, Aluminum (as defined below) required by the Purchaser at the Delivery Sites (as defined below).

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

For the purposes of this Agreement, the following terms and expressions and variations thereof shall, unless another meaning is clearly required in the context, have the meanings specified or referred to in this Section 1.1:

"AFFECTED PARTY" has the meaning set forth in Section 3.1.

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether

through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREED DISCOUNT" means \$7 (or such other amount as may be notified by the Supplier to the Purchaser in writing 3 months prior to the application of such other amount) per Tonne of Aluminum supplied from the Supplier's Allouette smelter to the Purchaser's Saguenay Works facility.

"AGREEMENT" means this Metal Supply Agreement, including all of the Schedules hereto.

"ALCAN" means Alcan Inc.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time on and after the Effective Date.

"ALUMINUM" means aluminum metal conforming to the Specifications set forth in SCHEDULE 2, produced at the Supplier Facilities.

"ALUMINUM PRICE" for any calendar month means the arithmetic average of the

midwest transaction prices for primary high grade aluminum as published in Metals Week on each day during the calendar month preceding such calendar month or as otherwise determined pursuant to Section 2.6(b), less \*\*\* of the Three Month LME Price for such calendar month, less the Agreed Discount (if applicable).

"APPLICABLE LAW" means any applicable law, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"BILL OF LADING DATE" means the date of the bill of lading representing Aluminum cargo to be delivered under this Agreement.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada) or in the City of New York (United States), is a legal holiday, or (ii) a day on which banks are authorized by Applicable Law to close in the city of Montreal (Canada) or in the city of New York (United States).

"COMMERCIALY REASONABLE EFFORTS" means the efforts that a reasonable and prudent Person desirous of achieving a business result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible in the context of commercial relations of the type contemplated in this Agreement; provided, however, that an obligation to use Commercially Reasonable Efforts under this Agreement does not require the Person subject to that obligation to assume any material obligations or pay any material amounts

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-2-

to a Third Party or take actions that would reduce the benefits intended to be obtained by such Person under this Agreement.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"CONTRACT TONNAGE" has the meaning set out in Section 2.3(c).

"CONTRACT YEAR" means (a) initially the period commencing on the Effective Date and ending on the last day of the calendar year in which the Effective Date occurs (such initial period being "CONTRACT YEAR 1") and (b) thereafter, each successive period consisting of twelve calendar months (the first such period being "CONTRACT YEAR 2"), provided that the final Contract Year shall end on the last day of the Term.

"CPT" means, to the extent not inconsistent with the provisions of this Agreement, CPT as defined in Incoterms 2000, published by the ICC, Paris, France, as amended from time to time.

"DEFAULT INTEREST RATE" means the greater of 10% per annum or the Prime Rate plus 3% per annum, but in no event shall the Default Interest Rate exceed the maximum rate of interest permitted by Applicable Law.

"DEFAULTING PARTY" has the meaning set forth in Section 6.

"DELIVERY SITE" means any of the following facilities of the Purchaser as specified, in respect of each shipment of Aluminum, in the Monthly Requirement Schedule provided by the Purchaser hereunder:

- (a) Logan Aluminum, Russelville, Kentucky;
- (b) Oswego Plant, Oswego, New York;
- (c) Berea Plant, Berea, Kentucky;
- (d) Greensboro Plant, Greensboro, Georgia;
- (e) Scepter Aluminum, New Johnsville, Tennessee;
- (f) Saguenay Works Facility, located at 2040 Fay Street, Jonquiere, Quebec, Canada; and
- (g) such other facilities of the Purchaser as may be agreed to by the Parties in writing.

"DISPUTES" has the meaning set forth in Section 9.1.

"DOLLARS" or "\$" means the lawful currency of the United States of America.

"EFFECTIVE DATE" means the "Effective Date" as defined in the Separation Agreement.

-3-

"EVENT OF DEFAULT" has the meaning set forth in Section 6.

"FORCE MAJEURE" has the meaning set forth in Section 3.2.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"ICC" means the International Chamber of Commerce.

"INCOTERMS 2000" means the set of international rules updated in the year 2000 for the interpretation of the most commonly used trade terms for foreign trade, as published by the ICC.

"LIABILITIES" has the meaning set forth in the Separation Agreement.

"LME" means the London Metal Exchange.

"METAL REQUIREMENT SCHEDULES" means the Monthly Requirement Schedule.

"MONTHLY REQUIREMENT SCHEDULE" has the meaning set forth in Section 2.4(a).

"NOVELIS" means Novelis Inc.

"NOVELIS GROUP" means Novelis Inc. and its Subsidiaries from time to time on and after the Effective Date.

"PARTY" means each of the Purchaser and the Supplier as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"PRIME RATE" means the floating rate of interest established from time to time by the Royal Bank of Canada (the "BANK") as the reference rate of interest the Bank will use to determine rates of interest payable by its borrowers on commercial loans denominated in Dollars and made by the Bank to such borrowers in Canada and designated by the Bank as its "prime rate" and which shall change from time to time as changed by the Bank.

"PURCHASER" has the meaning set forth in the Preamble to this Agreement.

"SALES TAXES" means any sales, use, consumption, goods and services, value added or similar tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

-4-

"SPECIFICATIONS" means specifications for Aluminum as set out in SCHEDULE 2, as such Schedule may be amended from time to time by agreement of the Parties.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

"SUPPLIER" has the meaning set forth in the Preamble to this Agreement.

"SUPPLIER FACILITIES" means smelters owned by the Supplier or any other smelters that produce LME registered brand aluminum (other than smelters located in India, Egypt or Iran).

"TERM" has the meaning set forth in Section 5.2.

"TERMINATING PARTY" has the meaning set forth in Section 6.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member or an Affiliate of Alcan Group or a member or an Affiliate of Novelis Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

"THREE MONTH LME PRICE" for any calendar month means the arithmetic average LME 3-Month sellers price for primary high grade aluminum, as published in Metal Bulletin on each day during the calendar month preceding such calendar month, or as otherwise determined pursuant to Section 2.6(b). As an example, the Three Month LME Price for the month of April will be based on aluminum prices published during the month of March.

"TONNE" means 1,000 kilograms.

## 1.2 CURRENCY

All references to currency herein are to Dollars unless otherwise specified.

## 1.3 VIENNA CONVENTION

The Parties agree that the terms of the United Nations Convention (Vienna Convention) on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement or the obligations of the Parties hereunder.

-5-

## 2. ALUMINUM

### 2.1 SUPPLY AND SALE BY THE SUPPLIER

- (a) Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Supplier shall supply and sell to the Purchaser "CPT the applicable Delivery Site" the quantities of Aluminum set out in the Monthly Requirement Schedules, subject to Section 2.4(b) and provided that such quantities are equal, in each Contract Year, to the Contract Tonnage for such Contract Year.
- (b) The Supplier shall supply Aluminum from a Supplier Facility of the Supplier's choosing or from such other sources and locations as may be agreed by the Parties. The Supplier shall consider supplying, but shall not be obligated to supply, Aluminum to the Purchaser from the Supplier's smelter located in Sebree, Kentucky. The Supplier shall also consider supplying, but shall not be obligated to supply Aluminum from its Alouette smelter to Purchaser's Saguenay Works Facility at a discounted price.

### 2.2 PURCHASE BY THE PURCHASER

Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Purchaser shall purchase and take delivery from the Supplier "CPT the applicable Delivery Site" the quantities of Aluminum set out in the Monthly Requirement Schedules, subject to Section 2.4(b) and provided that such quantities are equal, in each Contract Year, to the Contract Tonnage for such Contract Year.

### 2.3 NOTIFICATION OF QUANTITIES OF ALUMINUM REQUIRED BY THE PURCHASER

- (a) The Purchaser estimates that the Purchaser will require approximately \*\*\* Tonnes of Aluminum annually. Subject to Section 2.4(b), the Contract Tonnage for each Contract Year during the first three Contract Years in the Term of this Agreement shall be no greater than \*\*\* Tonnes of Aluminum and no less than \*\*\* Tonnes of Aluminum.
- (b) The Purchaser and the Supplier shall use Commercially Reasonable Efforts to arrange for shipping and delivery schedules to be evenly spread on a monthly basis throughout each Contract Year.
- (c) On or before October 31 in each Contract Year, the Purchaser shall submit to the Supplier a notice setting forth the annual quantity of Aluminum required for the next succeeding Contract Year (the "CONTRACT TONNAGE" for such Contract Year), and an estimated shipping schedule and quantities of Aluminum to be purchased in each calendar month of such Contract Year. In establishing such shipping schedule, the Purchaser shall endeavour to divide the Contract Tonnage as evenly as possible for delivery throughout each month in the Contract Year. The

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-6-

Contract Year 1, and the estimated shipping schedule and quantities of Aluminum to be delivered in each calendar month during Contract Year 1, is set out in SCHEDULE 1 hereto.

#### 2.4 SCHEDULING OF QUANTITIES

- (a) Throughout the Term of this Agreement, by the fifteenth (15th) day of each calendar month (and if such day is not a Business Day, on the Business Day immediately preceding such 15th day), the Purchaser shall notify the Supplier of:
- (i) the quantity of Aluminum it will purchase during the following calendar month; the Purchaser shall use Commercially Reasonable Efforts to ensure that the quantities identified in the Monthly Requirement Schedules in each Contract Year are as nearly equal as possible, and in any event would not fluctuate in respect of delivery in any particular month by more or less than fifteen percent (15%) of the quantity identified in the Monthly Requirement Schedule in respect of the preceding month; and
  - (ii) the Purchaser's best estimate (which is non-binding) of its Aluminum requirements during the two (2) calendar months following the calendar month referred to in Section 2.4(a) (i);

collectively, the "MONTHLY REQUIREMENT SCHEDULE".

The Monthly Requirement Schedule for the first three (3) calendar months in the Term of this Agreement is set out in SCHEDULE 1 hereto.

- (b) The Parties agree that (i) the Aluminum delivered hereunder to the Purchaser's Delivery Site located in Oswego, New York in each Contract Year shall be no less than \*\*\* Tonnes in each Contract Year, and (ii) the Supplier shall supply at least \*\*\* Tonnes of Aluminum in each Contract Year from smelters in the Province of Quebec, Canada, in which the Supplier holds an ownership interest.

#### 2.5 SUPPLIER'S SHIPPING OBLIGATIONS

- (a) Notwithstanding the provisions of Incoterms 2000 and Section 2.10, the Supplier acknowledges its responsibility to make all necessary arrangements for the shipment and the transportation of Aluminum to the Delivery Site on behalf of the Purchaser. The Supplier shall act as the disclosed agent of the Purchaser in entering into contracts for hiring carriers for the shipment of Aluminum under this Agreement. In doing this, the Supplier shall use Commercially Reasonable Efforts to obtain competitive freight rates and shall obtain approval from the Purchaser before entering into any long term contracts for hiring carriers on behalf of the Purchaser. The Supplier shall use Commercially Reasonable Efforts to ensure that such transportation is suitable for delivering the Aluminum to the Delivery Site.

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-7-

- (b) The Supplier undertakes to maintain the same practices and levels of service in respect of shipments of Aluminum hereunder as are consistent with its past and current practices. The Supplier undertakes to ensure that any shipment of Aluminum supplied hereunder:
- (i) to the Purchaser's facilities at Oswego Plant, Oswego, New York, shall be made by rail or truck, in accordance with current practice at the time this Agreement is entered into, or utilizing barge service at the Port of Oswego;
  - (ii) to the Purchaser's facilities at the Logan Aluminum Plant, Russelville, Kentucky, are made by either rail or truck, at the Supplier's option; and



(iii) to the Purchaser's other Delivery Sites, by means of transport at the option of the Supplier.

## 2.6 PRICE

- (a) The price payable by the Purchaser to the Supplier for each Tonne of Aluminum sold and purchased pursuant to Sections 2.1 and 2.2 shall be the Aluminum Price. The date used for calculating the Aluminum Price for any shipment of Aluminum shall be the Bill of Lading Date.
- (b) In the event that (i) the LME ceases or suspends trading in Aluminum, (ii) Metal Week ceases to be published or ceases to publish the relevant reference price for determining the Aluminum Price, or (iii) Metal Bulletin ceases to be published or ceases publication of the relevant reference price for determining the Three Month LME Price, the Parties shall meet with a view to agreeing on an alternative publication or, as applicable, an alternative reference price. If the Parties fail to reach an agreement within sixty (60) days of any Party having notified the other to enter into discussions to agree to an alternative publication or reference price, then the Chairman of the LME in London, England or his nominee shall be requested to select a suitable reference in lieu thereof and an appropriate amendment to the terms of this Section 2.6. The decision of the Chairman or his nominee shall be final and binding on the Parties.

## 2.7 QUALITY

- (a) Aluminum supplied under this Agreement shall comply with the Specifications set forth in SCHEDULE 2. The Supplier shall use Commercially Reasonable Efforts to notify the Purchaser prior to shipment of any Aluminum that does not meet Specifications. The Purchaser shall not be required to accept delivery of any Aluminum that does not meet Specifications. If the Purchaser does not accept delivery of Aluminum not meeting Specifications, the Supplier's obligation shall be limited to the assumption of all costs for return of such Aluminum to the Supplier, and for the delivery of replacement Aluminum to the Purchaser. All other express or implied warranties, conditions and other terms relating to Aluminum hereunder,

-8-

including warranties relating to merchantability or fitness for a particular purpose, are hereby excluded to the fullest extent permitted by Applicable Law.

- (b) If the Specifications for Aluminum supplied by the Supplier change, the Supplier may propose that the Specifications set forth in SCHEDULE 2 be amended to reflect such changes, and SCHEDULE 2 shall be amended with the agreement of both Parties. If the revised Specifications do not result in increased costs for the processing of such Aluminum by the Purchaser, the Purchaser shall not withhold or delay its consent to such proposed amendment to the specifications.
- (c) The Purchaser and the Supplier shall comply with their obligations set forth in SCHEDULE 2.

## 2.8 PAYMENT

- (a) The Purchaser shall pay the Supplier in full for each shipment of Aluminum meeting the Specifications set out in SCHEDULE 2 or otherwise accepted by the Purchaser in accordance with the Supplier's commercial invoice within thirty (30) days of the Bill of Lading Date.
- (b) If the Purchaser believes that a shipment of Aluminum does not meet the Specifications set out in SCHEDULE 2 and has rejected such shipment in a timely manner in accordance with the terms hereof, it need not pay the invoice. However, if the Purchaser subsequently accepts that the Aluminum complies with the Specifications set out in SCHEDULE 2, the Purchaser shall pay the invoice and, if payment is overdue pursuant to Section 2.8(a), interest in accordance with Section 2.8(c).
- (c) If any payment required to be made pursuant to Section 2.8 (a) above is overdue, the full amount shall bear interest at a rate per annum equal to the Default Interest Rate calculated on the actual number of days elapsed, accrued from and excluding the date on which such payment was due, up to and including the actual date of receipt of payment in the nominated bank or banking account.
- (d) All amounts paid to the Supplier or the Purchaser hereunder shall be paid in Dollars by wire transfer in immediately available funds to the account specified by the Supplier or Purchaser, as applicable, by notice from time to time by one Party to the other hereunder.

- (e) If any Party fails to purchase or supply, as applicable, any quantity of Aluminum in any month as required under the terms of this Agreement, such Party shall be liable to the other Party for all direct damages, losses and costs resulting from such failure, provided that such other Party shall use its Commercially Reasonable Efforts to mitigate such damages, losses and costs.

-9-

## 2.9 DELIVERY

Aluminum shall be delivered CPT the applicable Delivery Site. The delivery of Aluminum pursuant to this Section 2.9 shall be governed by Incoterms 2000, as amended from time to time.

## 2.10 TITLE AND RISK OF LOSS

Title to and risk of damage to and loss of Aluminum shall pass to the Purchaser as the Aluminum is delivered by the Supplier to the carrier.

## 2.11 PURCHASER AS PRINCIPAL

The Purchaser warrants that all Aluminum to be purchased hereunder shall be purchased for Purchaser's own consumption. The Purchaser agrees that it shall not re-sell or otherwise make available to any Person any Aluminum purchased from the Supplier hereunder, other than in respect of transactions undertaken in small quantities by the Purchaser to balance purchases or Purchaser's metal position.

## 3. FORCE MAJEURE

### 3.1 EFFECT OF FORCE MAJEURE

No Party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a Party) under this Agreement where the delay or failure is due to Force Majeure. The obligations of the Party affected by the event of Force Majeure (the "AFFECTED PARTY") shall be suspended, to the extent that those obligations are affected by the event of Force Majeure, from the date the Affected Party first gives notice in respect of that event of Force Majeure until cessation of that event of Force Majeure (or the consequences thereof).

### 3.2 DEFINITION

"FORCE MAJEURE" shall mean any act, occurrence or omission (or other event), subsequent to the commencement of the Term hereof, which is beyond the reasonable control of the Affected Party including, but not limited to: fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities, the invocation of Force Majeure by any party to an agreement under which any Party's operations are affected, and any declaration of Force Majeure by the facility producing the Aluminum, or

-10-

any other event beyond the reasonable control of the Parties whether or not similar to the events or occurrences enumerated above. In no circumstances shall problems with making payments constitute Force Majeure.

### 3.3 NOTICE

Upon the occurrence of an event of Force Majeure, the Affected Party shall promptly give notice to the other Party hereto setting forth the details of the event of Force Majeure and an estimate of the likely duration of the Affected Party's inability to fulfil its obligations under this Agreement. The Affected Party shall use Commercially Reasonable Efforts to remove the said cause or causes and to resume, with the shortest possible delay, compliance with its obligations under this Agreement provided that the Affected Party shall not be required to settle any strike, lockout or labour dispute on terms not acceptable to it. When the said cause or causes have ceased to exist, the Affected Party shall promptly give notice to the

other Party that such cause or causes have ceased to exist.

### 3.4 PRO RATA ALLOCATION

If the Supplier's supply of any Aluminum to be delivered to the Purchaser is stopped or disrupted by an event of Force Majeure, the Supplier shall have the right to allocate its available supplies of such Aluminum, if any, among any or all of its existing customers whether or not under contract, in a fair and equitable manner. In addition, where the Supplier is the Affected Party, it may (but shall not be required to) offer to supply, from another source, Aluminum of similar quality in substitution for the Aluminum subject to the event of Force Majeure to satisfy that amount which would have otherwise been sold and purchased hereunder at a price which may be more or less than the price hereunder.

### 3.5 CONSULTATION

Within thirty (30) days of the cessation of the event of Force Majeure, the Parties shall consult with a view to reaching agreement as to the Supplier's obligation to provide, and the Purchaser's obligation to take delivery of, that quantity of Aluminum that could not be sold and purchased hereunder because of the event of Force Majeure, provided that any such shortfall quantity has not been replaced by substitute Aluminum pursuant to the terms above.

In the absence of any agreement by the Parties, failure to deliver or accept delivery of Aluminum which is excused by or results from the operation of the foregoing provisions of this Section 3 shall not extend the Term of this Agreement and the quantities of Aluminum to be sold and purchased under this Agreement shall be reduced by the quantities affected by such failure.

### 3.6 TERMINATION

- (a) If an event of Force Majeure where the Affected Party is the Purchaser shall continue for more than \*\*\* consecutive calendar months, then the Supplier shall have the right to terminate this Agreement.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-11-

- (b) If an event of Force Majeure where the Affected Party is the Supplier shall continue for more than \*\*\* consecutive calendar months, then the Purchaser shall have the right to terminate this Agreement.

## 4. ASSIGNMENT

### 4.1 PROHIBITION ON ASSIGNMENTS

No Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement, except as permitted by Section 4.2, without the prior written consent of the other Party.

### 4.2 ASSIGNMENT WITHIN ALCAN GROUP OR NOVELIS GROUP

- (a) With the consent of Novelis, such consent not to be unreasonably withheld or delayed, Alcan may elect to have one or more of the Persons comprising the Alcan Group assume the rights and obligations of the Supplier under this Agreement, provided that
  - (i) Alcan shall remain fully liable for all obligations of the Supplier hereunder, and
  - (ii) the transferee will remain at all times a member of the Alcan Group;any such successor to Alcan as a Supplier under this Agreement shall be deemed to be the "SUPPLIER" for all purposes of the Agreement.
- (b) With the consent of Alcan, such consent not to be unreasonably withheld or delayed, Novelis may elect to have one or more of the Persons comprising the Novelis Group assume the rights and obligations of the Purchaser under this Agreement, provided that
  - (i) Novelis shall remain fully liable for all obligations of the Purchaser hereunder, and
  - (ii) the transferee will remain at all times a member of the Novelis Group;

any such successor to Novelis as Purchaser under this Agreement shall be deemed to be the "PURCHASER" for all purposes of this Agreement.

## 5. TERM AND TERMINATION

### 5.1 EFFECTIVENESS

This Agreement shall come into effect upon the Effective Date.

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-12-

### 5.2 TERM

The term of this Agreement (the "TERM") shall be from the Effective Date until \*\*\*, unless terminated earlier or extended pursuant to the provisions of this Agreement.

### 5.3 EXTENSION

One year prior to the expiration of the Term, the Parties may, upon the request of any Party, meet to negotiate in good faith a possible extension of the Term for a further period on terms to be mutually agreed. If no such Agreement is reached between the Parties, the Agreement shall terminate upon expiry of the Term.

### 5.4 TERMINATION

This Agreement shall terminate:

- (a) upon expiry of the Term;
- (b) upon the mutual agreement of the Parties prior to the expiry of the Term;
- (c) pursuant to Section 3.6 as a result of Force Majeure; or
- (d) upon the occurrence of an Event of Default, in accordance with Section 6.

## 6. EVENTS OF DEFAULT

This Agreement may be terminated in its entirety immediately at the option of a Party (the "TERMINATING PARTY"), in the event that an Event of Default occurs in relation to the other Party (the "DEFAULTING PARTY"), and such termination shall take effect immediately upon the Terminating Party providing notice to the Defaulting Party of the termination.

For the purposes of this Agreement, each of the following shall individually and collectively constitute an "EVENT OF DEFAULT" with respect to a Party:

- (a) such Party defaults in payment of any payments which are due and payable by it pursuant to this Agreement, and such default is not cured within thirty (30) days following receipt by the Defaulting Party of notice of such default;
- (b) such Party breaches any of its material obligations pursuant to this Agreement (other than as set out in paragraph (a) above), and fails to cure it within sixty (60) days after receipt of notice from the non-defaulting Party specifying the default with reasonable detail and demanding that it be cured, provided that if such breach is not capable of being cured within sixty (60) days after receipt of such notice and the Party in default has diligently pursued efforts to cure the default within the sixty (60) day period, no Event of Default under this paragraph (b) shall occur;

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-13-

- (c) such Party breaches any material representation or warranty, or fails to perform or comply with any material covenant, provision, undertaking or obligation in or of the Separation Agreement;
- (d) in relation to the Purchaser (1) upon the occurrence of a Non Compete

Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.03(b) of the Separation Agreement and pursuant to this paragraph of this Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective immediately upon Alcan providing Novelis notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement;

- (e) such Party (i) is bankrupt or insolvent or takes the benefit of any statute in force for bankrupt or insolvent debtors, or (ii) files a proposal or takes any action or proceeding before any court of competent jurisdiction for dissolution, winding-up or liquidation, or for the liquidation of its assets, or a receiver is appointed in respect of its assets, which order, filing or appointment is not rescinded within sixty (60) days; or
- (f) proceedings are commenced by or against such Party under the laws of any jurisdiction relating to reorganization, arrangement or compromise.

## 7. REPRESENTATIONS AND WARRANTIES

The Parties hereby reiterate for the purposes of this Agreement those representations and warranties set forth in Article VI of the Separation Agreement.

## 8. CONFIDENTIALITY

Each of the Parties shall at all times be in full compliance with its obligations under Sections 11.07 and 11.08 (Confidentiality) of the Separation Agreement.

## 9. DISPUTE RESOLUTION

### 9.1 DISPUTES

The Master Agreement with respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) ("DISPUTES") between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in

-14-

furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

### 9.2 CONTINUING OBLIGATIONS

The existence of a Dispute with respect to this Agreement between the Parties shall not relieve either Party from performance of its obligations under this Agreement that are not the subject of such Dispute.

## 10. MISCELLANEOUS

### 10.1 CONSTRUCTION

The terms of Section 16.04 (Construction) of the Separation Agreement shall apply to this Agreement, mutatis mutandis, as if all references therein to the "Agreement" were deemed to be references to this Agreement.

### 10.2 PAYMENT TERMS

Any amount to be paid or reimbursed by one Party to the other under this Agreement, save as expressly provided in Section 2, shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefore and setting forth, or accompanied by, reasonable documentation or reasonable explanation supporting such amount.

### 10.3 NOTICES

All notices and other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery, if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO THE PURCHASER, TO:

NOVELIS INC.  
Suite 3800  
Royal Bank Plaza, South Tower  
P.O. Box 84  
200 Bay Street  
Toronto, Ontario  
M5J 2Z4

Fax: 416-216-3930

Attention: Chief Executive Officer

IF TO THE SUPPLIER, TO:

ALCAN INC.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2

Fax: 514-848-8115

Attention: Chief Legal Officer

Any Party may, by notice to the other Party, change the address or fax number to which such notices are to be given.

#### 10.4 GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, irrespective of conflict of laws principles under Quebec law, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

#### 10.5 JUDGMENT CURRENCY

The obligations of a Party to make payments hereunder shall not be discharged by an amount paid in any currency other than Dollars, whether pursuant to a court judgment or arbitral award or otherwise, to the extent that the amount so paid upon conversion to Dollars and transferred to an account indicated by the Party to receive such funds under normal banking procedures does not yield the amount of Dollars due, and each Party hereby, as a separate obligation and notwithstanding any such judgment or award, agrees to indemnify the other Party against, and to pay to such Party on demand, in Dollars, any difference between the sum originally due in Dollars and the amount of Dollars received upon any such conversion and transfer.

#### 10.6 ENTIRE AGREEMENT

This Agreement, the Separation Agreement and schedules, exhibits, annexes and appendices hereto and thereto and the specific agreements contemplated herein or thereby contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

#### 10.7 CONFLICTS

In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail.

#### 10.8 SEVERABILITY

If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way

be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.9 SURVIVAL

The obligations of the Parties under Sections 2.6, 2.7, 2.8, 8, 9, 10.4 and 10.9 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.

10.10 EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

10.11 AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

-17-

10.12 WAIVERS

No failure on the part of a Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Applicable Law.

10.13 NO PARTNERSHIP

Nothing contained herein or in the Agreement shall make a Party a partner of any other Party and no Party shall hold out the other as such.

10.14 TAXES, ROYALTIES AND DUTIES

All royalties, taxes and duties imposed or levied on any Aluminum delivered hereunder (other than any taxes on the income of the Supplier) shall be for the account of and paid by the Purchaser.

10.15 LIMITATIONS OF LIABILITY

- (a) Neither Party shall be liable to the other Party for any indirect, collateral, incidental, special, consequential or punitive damages, lost profit or failure to realize expected savings or other commercial or economic loss of any kind, howsoever caused, and on any theory of liability (including negligence) arising in any way out of this Agreement; provided, however, that the foregoing limitations shall not limit any Parties' indemnification obligations for Liabilities with respect to Third Party Claims as set forth Article IX of the Separation Agreement (as if such Article IX was set out in full herein by reference to the obligations of the Parties hereunder).
- (b) Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to any indemnification or reimbursement pursuant to this Agreement.

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-18-

IN WITNESS WHEREOF, the Parties hereto have caused this Metal Supply Agreement to be executed by their duly authorized representatives.

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:



MOLTEN METAL SUPPLY AGREEMENT

between  
NOVELIS INC.  
  
(as Purchaser)  
  
and  
  
ALCAN INC.  
  
(as Supplier)

FOR THE SUPPLY OF MOLTEN METAL TO PURCHASER'S SAGUENAY WORKS FACILITY

DATED DECEMBER \_\_\_\_, 2004, WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATION.....	1
2. MOLTEN METAL.....	6
3. FORCE MAJEURE.....	11
4. ASSIGNMENT.....	13
5. TERM AND TERMINATION.....	13
6. EVENTS OF DEFAULT.....	14
7. REPRESENTATIONS AND WARRANTIES.....	15
8. CONFIDENTIALITY.....	15
9. DISPUTE RESOLUTION.....	15
10. MISCELLANEOUS.....	16

SCHEDULES

- 1 Contract Tonnage and Estimated Weekly Shipping Schedule for Contract Year 1
- 2 Saguenay Smelters

MOLTEN METAL SUPPLY AGREEMENT

THIS AGREEMENT entered into in the City of Montreal, Province of Quebec, is dated December \_\_\_\_, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS" or the "PURCHASER");

AND: ALCAN INC., a corporation organized under the Canada Business Corporations Act ("ALCAN" or the "SUPPLIER").

RECITALS:

WHEREAS Alcan and Novelis have entered into a Separation Agreement pursuant to

which they set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein), such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS the Supplier wishes to supply, and the Purchaser wishes to purchase, subject to the terms and conditions of this Agreement, Molten Metal (as defined below) required by the Purchaser at the Purchaser's Saguenay Works facility.

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

For the purposes of this Agreement, the following terms and expressions and variations thereof shall, unless another meaning is clearly required in the context, have the meanings specified or referred to in this Section 1.1:

"AFFECTED PARTY" has the meaning set forth in Section 3.1.

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and

- 2 -

policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Molten Metal Supply Agreement, including all of the Schedules hereto.

"ALCAN" means Alcan Inc.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time on and after the Effective Date.

"ALUMINUM PRICE" for any calendar month means the arithmetic average LME 3-Month seller's price for primary high grade aluminum, as published in Metal Bulletin on each day during the calendar month preceding such calendar month, or as otherwise determined pursuant to Section 2.6(b). As an example, the Aluminum Price for the month of April will be based on aluminum prices published during the month of March.

"APPLICABLE LAW" means any applicable law, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"BASE CONTRACT TONNAGE" means:

- (i) in respect of Contract Year 1, \*\*\* Tonnes;
- (ii) in respect of Contract Year 2, \*\*\* Tonnes; and
- (iii) in respect of Contract Year 3 and each subsequent Contract Year, \*\*\* Tonnes,

subject to any reduction in accordance with Section 2.4(b).

"BILL OF LADING DATE" means the date of the bill of lading representing Molten Metal cargo to be delivered under this Agreement.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada) or in the City of New York (United States), is a legal holiday, or (ii) a day on which banks

are authorized by Applicable Law to close in the city of Montreal (Canada) or in the city of New York (United States).

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- 3 -

"COMMERCIALY REASONABLE EFFORTS" means the efforts that a reasonable and prudent Person desirous of achieving a business result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible in the context of commercial relations of the type contemplated in this Agreement; provided, however, that an obligation to use Commercially Reasonable Efforts under this Agreement does not require the Person subject to that obligation to assume any material obligations or pay any material amounts to a Third Party or take actions that would reduce the benefits intended to be obtained by such Person under this Agreement.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"CONTRACT PRICE" for each Tonne of Molten Metal sold and purchased hereunder in any month shall be:

- (i) in respect of each month occurring in Contract Year \*\*\* to Contract Year \*\*\* (inclusive), the Midwest Price minus the LME Discount, minus the Molten Metal Discount;
- (ii) in respect of each month occurring in Contract Year \*\*\* to Contract Year \*\*\* (inclusive), such price as may be agreed by the Purchaser and the Supplier by good faith negotiations during Contract Year \*\*\*, and in the absence of such agreement, the Midwest Price calculated for such month minus the Molten Metal Discount; and
- (iii) in respect of each month occurring subsequent to Contract Year \*\*\*, such price as may be agreed as a result of good faith negotiations in connection with any extension of the Term pursuant to Section 5.3 hereof.

Such amount shall be rounded upwards to the nearest Dollar.

"CONTRACT TONNAGE" has the meaning set forth in Section 2.3(c).

"CONTRACT YEAR" means (a) initially the period commencing on the Effective Date and ending on the last day of the calendar year in which the Effective Date occurs (such initial period being "CONTRACT YEAR 1") and (b) thereafter, each successive period consisting of twelve calendar months (the first such period being "CONTRACT YEAR 2"), provided that the final Contract Year shall end on the last day of the Term.

"CPT" means, to the extent not inconsistent with the provisions of this Agreement, CPT as defined in Incoterms 2000, published by the ICC, Paris, France, as amended from time to time.

"DEFAULT INTEREST RATE" means the greater of \*\*\*% per annum or the Prime Rate plus \*\*\*% per annum, but in no event shall the Default Interest Rate exceed the maximum rate of interest permitted by Applicable Law.

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- 4 -

"DEFAULTING PARTY" has the meaning set forth in Section 6.

"DELIVERY SITE" means the Purchaser's Saguenay Works facility located at 2040 Fay Street, Jonquiere, Quebec, Canada.

"DISPUTES" has the meaning set forth in Section 9.1.

"DOLLARS" or "\$" means the lawful currency of the United States of America.

"EFFECTIVE DATE" means the "Effective Date" as defined in the Separation Agreement.

"EVENT OF DEFAULT" has the meaning set forth in Section 6.

"FORCE MAJEURE" has the meaning set forth in Section 3.2.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"ICC" means the International Chamber of Commerce.

"INCOTERMS 2000" means the set of international rules updated in the year 2000 for the interpretation of the most commonly used trade terms for foreign trade, as published by the ICC.

"LIABILITIES" has the meaning set forth in the Separation Agreement.

"LME" means the London Metal Exchange.

"LME DISCOUNT" means, (i) for each of Contract Year \*\*\* to Contract Year \*\*\*, inclusive, \*\*\*% of the Aluminum Price; (ii) for each of Contract Year \*\*\* to Contract Year \*\*\*, inclusive, such amount as may be agreed by the Purchaser and the Supplier as a result of good faith negotiations that shall take place in Contract Year \*\*\* and, in the absence of such agreement, zero (0); and (iii) for any Contract Year from and after Contract Year \*\*\*, such amount as may be agreed by the Purchaser and the Supplier in good faith negotiations in connection with any extension of the Term pursuant to Section 5.3.

"MIDWEST PRICE" for any calendar month means the arithmetic average of the mid-west transaction prices for primary high grade aluminum, as published in Metals Week on each day during the calendar month preceding such calendar month or as otherwise determined pursuant to Section 2.6(b). As an example, the Midwest Price

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- 5 -

for the month of April will be based on metal prices published during the month of March.

"MOLTEN METAL" means P1020 aluminum metal in molten form.

"MOLTEN METAL DISCOUNT" means, (i) for each of Contract Year \*\*\* to Contract Year \*\*\*, inclusive, \$\*\*\*; (ii) for each of Contract Year \*\*\* to Contract Year \*\*\*, inclusive, such amount as may be agreed by the Purchaser and the Supplier as a result of good faith negotiations that shall take place in Contract Year \*\*\*; in the absence of such agreement, the Molten Metal Discount for Contract Years \*\*\* to \*\*\* shall be the Molten Metal Discount for the preceding Contract Year multiplied by a factor equal to \*\*\*; and (iii) for any Contract Year from and after Contract Year \*\*\*, such amount as may be agreed by the Purchaser and the Supplier as a result of good faith negotiations in connection with any extension of the Term pursuant to Section 5.3.

"NOVELIS" means Novelis Inc.

"NOVELIS GROUP" means Novelis Inc. and its Affiliates from time to time on and after the Effective Date.

"PARTY" means each of the Purchaser and the Supplier as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"PRIME RATE" means the floating rate of interest established from time to time by the Royal Bank of Canada (the "BANK") as the reference rate of interest the Bank will use to determine rates of interest payable by its borrowers for commercial loans denominated in Dollars and made by the Bank to such borrowers in Canada and designated by the Bank as its "prime rate" and which shall change from time to time as changed by the Bank.

"PURCHASER" has the meaning set forth in the Preamble to this Agreement.

"SAGUENAY SMELTER" means those aluminum smelters of the Supplier identified in Schedule 2.

"SAGUENAY WORKS" means the Purchaser's light gauge rolled products facility at Jonquiere, Quebec, Canada.

"SALES TAX" means any sales, use, consumption, goods and services, value added or similar tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

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- 6 -

"SPECIFICATIONS" means such specifications for Molten Metal as may be proposed from time to time in accordance with Section 2.7.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

"SUPPLIER" has the meaning set forth in the Preamble to this Agreement.

"TERM" has the meaning set forth in Section 5.2.

"TERMINATING PARTY" has the meaning set forth in Section 6.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member or an Affiliate of Alcan Group or a member or an Affiliate of Novelis Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

"TONNE" means 1,000 kilograms.

"US CPI" means the Consumer Price Index for All Urban Consumers, as published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor.

## 1.2 CURRENCY

All references to currency herein are to Dollars unless otherwise specified.

## 1.3 VIENNA CONVENTION

The Parties agree that the terms of the United Nations Convention (Vienna Convention) on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement or the obligations of the Parties hereunder.

## 2. MOLTEN METAL

### 2.1 SUPPLY AND SALE BY THE SUPPLIER

(a) Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Supplier shall supply and sell to the Purchaser "CPT the Delivery Site" the quantities of Molten Metal determined in accordance with this Agreement.

- 7 -

(b) The Supplier shall supply Molten Metal produced by the Supplier from a Saguenay Smelter of the Supplier's choosing or from such other sources and locations as may be agreed.

### 2.2 PURCHASE BY THE PURCHASER

Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Purchaser shall purchase and take delivery from the Supplier "CPT

the Delivery Site" the quantities of Molten Metal determined in accordance with this Agreement.

## 2.3 QUANTITIES OF MOLTEN METAL REQUIRED BY THE PURCHASER

- (a) The Purchaser agrees to purchase and the Supplier agrees to supply, in each Contract Year, Contract Tonnage of no more than the Base Contract Tonnage applicable for such Contract Year and no less than eighty percent (80%) of the Base Contract Tonnage applicable for such Contract Year. The purchase and supply, as applicable, by the Parties, of any greater quantity shall be subject to further agreement of the Parties, at each Party's discretion.
- (b) The Parties shall use Commercially Reasonable Efforts to arrange for shipping and delivery schedules to be approximately evenly spread on a daily and weekly basis throughout each Contract Year.
- (c) On or before October 31 in each Contract Year, the Purchaser shall submit to the Supplier a notice setting forth the annual quantity of Molten Metal required for the next succeeding Contract Year (the "CONTRACT TONNAGE" for such Contract Year), which shall be no less than 80% of the Base Contract Tonnage applicable to the next succeeding Contract Year, and no more than the Base Contract Tonnage for such Contract Year, and an estimated shipping schedule and quantities of Molten Metal to be purchased in each week of such Contract Year; in establishing such shipping schedule, the Purchaser shall endeavour to divide the Contract Tonnage as evenly as possible for delivery throughout each day and each week in the Contract Year. The Contract Tonnage for Contract Year 1, and the estimated shipping schedule and quantities of Molten Metal to be delivered in each week during Contract Year 1, are set out in SCHEDULE 1 hereto.

## 2.4 OTHER TERMS AFFECTING QUANTITY

- (a) Throughout the Term of this Agreement, the Purchaser shall be entitled to request reductions in the amount of Molten Metal to be delivered in any week by the Supplier hereunder by notice to the Supplier, and the Supplier shall adjust its shipments so as to provide such reduced amount in such week, provided such reduction is made in connection with either (i) a planned maintenance shutdown of the Purchaser's facilities at Saguenay Works or (ii) a statutory holiday falling in such week, and the Parties have agreed on the

- 8 -

timing for any such maintenance shut down or variation in quantity. The Parties shall use their Commercially Reasonable Efforts to reach agreement under this Section 2.4(a) with a view to avoiding production disruptions or inventory buildup. Any reduction of weekly supply pursuant to this Section 2.4(a) shall not affect the obligations of the Purchaser and the Supplier under Section 2.3(a).

- (b) The quantity of Molten Metal which the Purchaser agrees to purchase and the Supplier agrees to supply hereunder shall be subject to reduction in the event the Supplier provides notice to the Purchaser that one or more of the Saguenay Smelters owned by the Supplier has been temporarily or permanently shut down by the Supplier, provided such shut down has occurred as a result of a good faith decision by the Supplier that the continued operation of such Saguenay Smelter would be uneconomic or otherwise unviable for the Supplier or non value-maximizing for the Supplier. The reduction shall be for such quantity as may be agreed by the Parties and, failing agreement, shall be for such quantity as is equal to the Contract Tonnage multiplied by the annual reduction capacity of the Saguenay Smelters (or Smelter) that has (or have) been shut down, and divided by the total annual production capacity of all Saguenay Smelters before giving effect to the shut down.
- (c) Subject to the Parties' obligations to purchase and supply, as applicable, the Contract Tonnage in each Contract Year on the terms of this Section 2, the Parties shall consult at least once a week in order to agree on the quantities of Molten Metal to be supplied on a daily basis. The Supplier will use Commercially Reasonable Efforts to allocate Molten Metal produced by the Supplier on a fair basis between the Purchaser and facilities of the Supplier or its Affiliates that require

2.5 SUPPLIER'S SHIPPING OBLIGATIONS

- (a) The Supplier shall supply to the Purchaser, in accordance with the terms hereof, in each week, such quantity of Molten Metal as is identified by the Purchaser in respect of such week in a notice pursuant to Section 2.3(c) hereof, subject to any reduction in accordance with Section 2.4.
- (b) Notwithstanding the provisions of Incoterms 2000 and Section 2.10, the Supplier acknowledges its responsibility to make all necessary arrangements for the transportation of Molten Metal to the Delivery Site on behalf of the Purchaser. The Supplier shall act as the disclosed agent of the Purchaser in entering into contracts for hiring carriers for the shipment of Molten Metal under this Agreement. In doing this, the Supplier shall use Commercially Reasonable Efforts to obtain the most competitive freight rates and shall obtain approval from the Purchaser before entering into any long term contracts for hiring carriers on behalf of the Purchaser. The Supplier shall use Commercially

- 9 -

Reasonable Efforts to ensure that such transportation is suitable for delivering Molten Metal to the Delivery Site.

2.6 PRICE

- (a) The price payable by the Purchaser to the Supplier for each Tonne of Molten Metal sold and purchased pursuant to Sections 2.1 and 2.2 shall be the Contract Price. The date used for calculating the Contract Price for any shipment of Molten Metal shall be the Bill of Lading Date.
- (b) In the event that (i) the LME ceases or suspends trading in aluminum; (ii) Metal Week ceases to be published or ceases to publish the relevant reference price for determining the Midwest Price; or (iii) Metal Bulletin ceases to be published or ceases publication of the relevant reference price for determining the Aluminum Price, the Parties shall meet with a view to agreeing on an alternative publication or, as applicable, an alternative reference price. If the Parties fail to reach an agreement within sixty (60) days of any Party having notified the other to enter into discussions to agree to an alternative publication or reference price, then the Chairman of the LME in London, England or his nominee shall be requested to select a suitable reference in lieu thereof and an appropriate amendment to the terms of this Section 2.6. The decision of the Chairman or his nominee shall be final and binding on the Parties.

2.7 QUALITY

- (a) Molten Metal supplied under this Agreement shall comply with the definition of "Molten Metal" set forth in Section 1.1. The Supplier shall use Commercially Reasonable Efforts to notify the Purchaser prior to shipment of any Molten Metal that does not meet this description. The Purchaser shall not be required to accept delivery of any Molten Metal that does not meet this description. If the Purchaser does not accept delivery of Molten Metal not meeting this description, the Supplier's obligation shall be limited to the assumption of all costs for return of such Molten Metal to the Supplier, and for the delivery of replacement Molten Metal to the Purchaser. All other express or implied warranties, conditions and other terms relating to Molten Metal hereunder, including warranties relating to merchantability or fitness for a particular purpose, are hereby excluded to the fullest extent permitted by Applicable Law.
- (b) The Purchaser may from time to time propose that Molten Metal to be supplied hereunder comply with additional specifications. The Supplier shall use Commercially Reasonable Efforts to agree to such proposed modifications or additions.

- 10 -

- (c) The Parties shall cooperate in good faith to develop a plan for addressing sodium content issues in Molten Metal supplied from the Supplier's Alma smelter by June 30, 2005.

2.8 PAYMENT

- (a) The Purchaser shall pay the Supplier in full for each shipment of Molten Metal in accordance with the Supplier's commercial invoice within thirty (30) days of the Bill of Lading Date.
- (b) If the Purchaser believes that a shipment of Molten Metal does not meet the description of Molten Metal as defined in this Agreement and has rejected such shipment in a timely manner in accordance with the terms hereof, it need not pay the invoice. However, if the Purchaser subsequently accepts that the Molten Metal complies with the requirements of this Agreement, the Purchaser shall pay the invoice and, if payment is overdue pursuant to Section 2.8(a), interest in accordance with Section 2.8(c).
- (c) If any payment required to be made pursuant to Section 2.8(a) above is overdue, the full amount shall bear interest at a rate per annum equal to the Default Interest Rate calculated on the actual number of days elapsed, accrued from and excluding the date on which such payment was due, up to and including the actual date of receipt of payment in the nominated bank or banking account.
- (d) All amounts paid to the Supplier or the Purchaser hereunder shall be paid in Dollars by wire transfer in immediately available funds to the account specified by the Supplier or Purchaser, as applicable, by notice from time to time by one Party to the other hereunder.
- (e) If any Party fails to purchase or supply, as applicable, any quantity of Molten Metal in any month as required under the terms of this Agreement, such Party shall be liable to the other Party for all direct damages, losses and costs resulting from such failure, provided that such other Party shall use its Commercially Reasonable Efforts to mitigate such damages, losses and costs.

2.9 DELIVERY

Molten Metal shall be delivered CPT the Delivery Site. The delivery of Molten Metal pursuant to this Section 2.9 shall be governed by Incoterms 2000, as amended from time to time.

2.10 TITLE AND RISK OF LOSS

Title to and risk of damage to and loss of Molten Metal shall pass to the Purchaser as the Molten Metal is delivered by the Supplier to the carrier.

- 11 -

2.11 PURCHASER AS PRINCIPAL

The Purchaser warrants that all Molten Metal to be purchased hereunder shall be purchased for Purchaser's own consumption. The Purchaser agrees that it shall not re-sell or otherwise make available to any Person any Molten Metal purchased from the Supplier hereunder, other than in respect of transactions undertaken in small quantities by the Purchaser to balance purchases or Purchaser's metal position.

3. FORCE MAJEURE

3.1 EFFECT OF FORCE MAJEURE

No Party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a Party) under this Agreement where the delay or failure is due to Force Majeure. The obligations of the Party affected by the event of Force Majeure (the "AFFECTED PARTY") shall be suspended, to the extent that those obligations are affected by the event of Force Majeure, from the date the Affected Party first gives notice in respect of that event of Force Majeure until cessation of that event of Force Majeure (or the consequences thereof).

3.2 DEFINITION

"FORCE MAJEURE" shall mean any act, occurrence or omission (or other event), subsequent to the commencement of the Term hereof, which is beyond the reasonable control of the Affected Party including, but not limited to: fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or



the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities, the invocation of Force Majeure by any party to an agreement under which any Party's operations are affected, and any declaration of Force Majeure by the facility producing the Molten Metal, or any other event beyond the reasonable control of the Parties whether or not similar to the events or occurrences enumerated above. In no circumstances shall problems with making payments constitute Force Majeure.

### 3.3 NOTICE

Upon the occurrence of an event of Force Majeure, the Affected Party shall promptly give notice to the other Party hereto setting forth the details of the event of Force

- 12 -

Majeure and an estimate of the likely duration of the Affected Party's inability to fulfil its obligations under this Agreement. The Affected Party shall use Commercially Reasonable Efforts to remove the said cause or causes and to resume, with the shortest possible delay, compliance with its obligations under this Agreement, provided that the Affected Party shall not be required to settle any strike, lockout or labour dispute on terms not acceptable to it. When the said cause or causes have ceased to exist, the Affected Party shall promptly give notice to the other Party that such cause or causes have ceased to exist.

### 3.4 PRO RATA ALLOCATION

If the Supplier's supply of any Molten Metal to be delivered to the Purchaser is stopped or disrupted by an event of Force Majeure, the Supplier shall have the right to allocate its available supplies of such Molten Metal, if any, among any or all of its existing customers whether or not under contract, in a fair and equitable manner. In addition, where the Supplier is the Affected Party, it may (but shall not be required to) offer to supply, from another source, Molten Metal of similar quality in substitution for the Molten Metal subject to the event of Force Majeure to satisfy that amount which would have otherwise been sold and purchased hereunder at a price which may be more or less than the price hereunder.

### 3.5 CONSULTATION

Within thirty (30) days of the cessation of the event of Force Majeure, the Parties shall consult with a view to reaching agreement as to the Supplier's obligation to provide, and the Purchaser's obligation to take delivery of, that quantity of Molten Metal that could not be sold and purchased hereunder because of the event of Force Majeure, provided that any such shortfall quantity has not been replaced by substitute Molten Metal pursuant to the terms above.

In the absence of any agreement by the Parties, failure to deliver or accept delivery of Molten Metal which is excused by or results from the operation of the foregoing provisions of this Section 3 shall not extend the Term of this Agreement and the quantities of Molten Metal to be sold and purchased under this Agreement shall be reduced by the quantities affected by such failure.

### 3.6 TERMINATION

- (a) If an event of Force Majeure where the Affected Party is the Purchaser shall continue for more than \*\*\* consecutive calendar months, then the Supplier shall have the right to terminate this Agreement.
- (b) If an event of Force Majeure where the Affected Party is the Supplier shall continue for more than \*\*\* consecutive calendar months, then the Purchaser shall have the right to terminate this Agreement.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- 13 -

### 4. ASSIGNMENT

4.1 PROHIBITION ON ASSIGNMENTS

No Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement, except as permitted by Section 4.2, without the prior written consent of the other Party.

4.2 ASSIGNMENT WITHIN ALCAN GROUP OR NOVELIS GROUP

(a) With the consent of Novelis, such consent not to be unreasonably withheld or delayed, Alcan may elect to have one or more of the Persons comprising the Alcan Group assume the rights and obligations of the Supplier under this Agreement, provided that

(i) Alcan shall remain fully liable for all obligations of the Supplier hereunder, and

(ii) the transferee will remain at all times a member of the Alcan Group;

any such successor to Alcan as a Supplier under this Agreement shall be deemed to be the "SUPPLIER" for all purposes of the Agreement.

(b) With the consent of Alcan, such consent not to be unreasonably withheld or delayed, Novelis may elect to have one or more of the Persons comprising the Novelis Group assume the rights and obligations of the Purchaser under this Agreement, provided that

(i) Novelis shall remain fully liable for all obligations of the Purchaser hereunder, and

(ii) the transferee will remain at all times a member of the Novelis Group;

any such successor to Novelis as Purchaser under this Agreement shall be deemed to be the "PURCHASER" for all purposes of this Agreement.

5. TERM AND TERMINATION

5.1 EFFECTIVENESS

This Agreement shall come into full force and effect upon the Effective Date.

5.2 TERM

The term of this Agreement (the "TERM") shall be from the Effective Date until \*\*\* unless terminated earlier or extended pursuant to the provisions of this Agreement.

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- 14 -

5.3 EXTENSION

One year prior to the expiration of the Term, the Parties may, upon the request of either Party, meet to negotiate in good faith a possible extension of the Term for a further period on terms to be mutually agreed (including in respect of quantities of Molten Metal to be purchased and supplied hereunder and pricing to apply in such further period). If no such Agreement is reached between the Parties, the Agreement shall terminate upon expiry of the Term.

5.4 TERMINATION

This Agreement shall terminate:

(a) upon expiry of the Term;

(b) upon the mutual agreement of the Parties prior to the expiry of the Term;

(c) pursuant to Section 3.6 as a result of Force Majeure; or

(d) upon the occurrence of an Event of Default, in accordance with Section 6.

6. EVENTS OF DEFAULT

This Agreement may be terminated in its entirety immediately at the option of a Party (the "TERMINATING PARTY"), in the event that an Event of Default occurs in relation to the other Party (the "DEFAULTING PARTY"), and such termination shall take effect immediately upon the Terminating Party providing notice to the Defaulting Party of the termination.

For the purposes of this Agreement, each of the following shall individually and collectively constitute an "EVENT OF DEFAULT" with respect to a Party:

- (a) such Party defaults in payment of any payments which are due and payable by it pursuant to this Agreement, and such default is not cured within thirty (30) days following receipt by the Defaulting Party of notice of such default;
  - (b) such Party breaches any of its material obligations pursuant to this Agreement (other than as set out in paragraph (a) above), and fails to cure it within sixty (60) days after receipt of notice from the non-defaulting Party specifying the default with reasonable detail and demanding that it be cured, provided that if such breach is not capable of being cured within sixty (60) days after receipt of such notice and the Party in default has diligently pursued efforts to cure the default within the sixty (60) day period, no Event of Default under this paragraph (b) shall occur;
- 15 -
- (c) such Party breaches any material representation or warranty, or fails to perform or comply with any material covenant, provision, undertaking or obligation in or of the Separation Agreement;
  - (d) in relation to the Purchaser (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.03(b) of the Separation Agreement and pursuant to this paragraph of this Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective immediately upon Alcan providing Novelis notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement;
  - (e) such Party (i) is bankrupt or insolvent or takes the benefit of any statute in force for bankrupt or insolvent debtors, or (ii) files a proposal or takes any action or proceeding before any court of competent jurisdiction for dissolution, winding-up or liquidation, or for the liquidation of its assets, or a receiver is appointed in respect of its assets, which order, filing or appointment is not rescinded within sixty (60) days; or
  - (f) proceedings are commenced by or against such Party under the laws of any jurisdiction relating to reorganization, arrangement or compromise.

## 7. REPRESENTATIONS AND WARRANTIES

The Parties hereby reiterate for the purposes of this Agreement those representations and warranties set forth in Article VI of the Separation Agreement.

## 8. CONFIDENTIALITY

Each of the Parties shall at all times be in full compliance with its obligations under Sections 11.07 and 11.08 (Confidentiality) of the Separation Agreement.

## 9. DISPUTE RESOLUTION

### 9.1 DISPUTES

The Master Agreement with respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) ("DISPUTES") between the Parties that may arise out of, or relate to, or arise under or

in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

9.2 CONTINUING OBLIGATIONS

The existence of a Dispute with respect to this Agreement between the Parties shall not relieve either Party from performance of its obligations under this Agreement that are not the subject of such Dispute.

10. MISCELLANEOUS

10.1 CONSTRUCTION

The terms of Section 16.04 (Construction) of the Separation Agreement shall apply to this Agreement, mutatis mutandis, as if all references therein to the "Agreement" were deemed to be references to this Agreement.

10.2 PAYMENT TERMS

Any amount to be paid or reimbursed by one Party to the other under this Agreement, save as expressly provided in Section 2, shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefor and setting forth, or accompanied by, reasonable documentation or reasonable explanation supporting such amount.

10.3 NOTICES

All notices and other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery, if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO THE PURCHASER, TO:

NOVELIS INC.  
Suite 3800  
Royal Bank Plaza, South Tower  
P.O. Box 84  
200 Bay Street  
Toronto, Ontario  
M5J 2Z4

Fax: 416-216-3930

Attention: Chief Executive Officer

IF TO THE SUPPLIER, TO:

ALCAN INC.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2  
Fax: 514-848-8115

Attention: Chief Legal Officer

Any Party may, by notice to the other Party, change the address or fax number to which such notices are to be given.

10.4 GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, irrespective of conflict of laws principles under Quebec law, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

10.5 JUDGMENT CURRENCY

The obligations of a Party to make payments hereunder shall not be discharged by an amount paid in any currency other than Dollars, whether pursuant to a court judgment or arbitral award or otherwise, to the extent that the amount so paid upon conversion to Dollars and transferred to an account indicated by the Party to receive such funds under normal banking procedures does not yield the amount of Dollars due, and each Party hereby, as a separate obligation and notwithstanding any such judgment or award, agrees to indemnify the other Party against, and to pay to such

- 18 -

Party on demand, in Dollars, any difference between the sum originally due in Dollars and the amount of Dollars received upon any such conversion and transfer.

#### 10.6 ENTIRE AGREEMENT

This Agreement, the Separation Agreement and schedules, exhibits, annexes and appendices hereto and thereto and the specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

#### 10.7 CONFLICTS

In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail.

#### 10.8 SEVERABILITY

If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

#### 10.9 SURVIVAL

The obligations of the Parties under Sections 2.6, 2.7, 2.8, 8, 9, 10.4 and 10.9 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.

#### 10.10 EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

- 19 -

#### 10.11 AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

#### 10.12 WAIVERS

No failure on the part of a Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Applicable Law.

10.13 NO PARTNERSHIP

Nothing contained herein or in the Agreement shall make a Party a partner of any other Party and no Party shall hold out the other as such.

10.14 TAXES, ROYALTIES AND DUTIES

All royalties, taxes and duties imposed or levied on any Molten Metal delivered hereunder (other than any taxes on the income of the Supplier) shall be for the account of and paid by the Purchaser.

10.15 LIMITATIONS OF LIABILITY

- (a) Neither Party shall be liable to the other Party for any indirect, collateral, incidental, special, consequential or punitive damages, lost profit or failure to realize expected savings or other commercial or economic loss of any kind, howsoever caused, and on any theory of liability (including negligence) arising in any way out of this Agreement; provided, however, that the foregoing limitations shall not limit any Parties' indemnification obligations for Liabilities with respect to Third Party Claims as set forth Article IX of the Separation Agreement (as if such Article IX was set out in full herein by reference to the obligations of the Parties hereunder).
- (b) Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to any indemnification or reimbursement pursuant to this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties hereto have caused this Molten Metal Supply Agreement to be executed by their duly authorized representatives.

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

METAL SUPPLY AGREEMENT

between  
NOVELIS INC.  
(as Purchaser)  
and  
ALCAN INC.  
(as Supplier)

FOR THE SUPPLY OF SHEET INGOT IN NORTH AMERICA

DATED DECEMBER \_\_\_\_, 2004, WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>		
<C>	<S>	<C>
1.	DEFINITIONS AND INTERPRETATION.....	2
2.	METAL.....	10
3.	FORCE MAJEURE.....	17
4.	ASSIGNMENT.....	19
5.	TERM AND TERMINATION.....	20
6.	EVENTS OF DEFAULT.....	21
7.	REPRESENTATIONS AND WARRANTIES.....	22
8.	CONFIDENTIALITY.....	22
9.	DISPUTE RESOLUTION.....	22
10.	MISCELLANEOUS.....	22
SCHEDULES		
1.	Product Premium	
2.	Metal Specifications	
3.	Contract Year 1 Quantities	
4.	Shipment and Delivery Performance	
</TABLE>		

METAL SUPPLY AGREEMENT

THIS AGREEMENT entered into in the City of Montreal, Province of Quebec, is dated December \_\_\_\_, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS" or the "PURCHASER");

AND: ALCAN INC., a corporation organized under the Canada Business Corporations Act ("ALCAN" or the "SUPPLIER").

RECITALS:

WHEREAS Alcan and Novelis have entered into a Separation Agreement pursuant to

which they set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein), such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

-2-

WHEREAS the Supplier wishes to supply, and the Purchaser wishes to purchase, subject to the terms and conditions of this Agreement, Metal (as defined below) required by the Purchaser at the Delivery Sites (as defined below).

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

For the purposes of this Agreement, the following terms and expressions and variations thereof shall, unless another meaning is clearly required in the context, have the meanings specified or referred to in this Section 1.1:

"AFFECTED PARTY" has the meaning set forth in Section 3.1.

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Metal Supply Agreement, including all of the Schedules hereto.

"ALCAN" means Alcan Inc.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time on and after the Effective Date.

"ANNUAL BASE QUANTITY" means

- (i) in respect of Contract Year 1, \*\*\* Tonnes,
- (ii) in respect of Contract Year 2, \*\*\* Tonnes,
- (iii) in respect of Contract Year 3, \*\*\* Tonnes (or such other quantity as may be agreed in writing by the Parties prior to September 30, 2005,

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-3-

provided such quantity shall be greater than or equal to \*\*\* Tonnes and less than or equal to \*\*\* Tonnes), and

- (iv) in respect of each of Contract Year 4 to Contract Year \*\*\*, inclusive, such amount, in Tonnes, in respect of each Contract Year, (a) as may be agreed to by the Parties during the first 6 months of Contract Year 2 or (b) if the Parties have failed to reach agreement with respect to such amount during the first 6 months of Contract Year 2, and a Party has given 18 months notice prior to the commencement of a Contract Year to the other Parties hereto that it wishes to reduce the Annual Base Quantity by no more than \*\*\*% of the then current Annual Base Quantity, the amount so notified by such Party, or



(c) if the Parties have failed to reach agreement during the first 6 months of Contract Year 2 and no Party has given a notice in accordance with (b) above, an amount which is equal to the Annual Base Quantity in respect of the preceding Contract Year,

subject to any reduction in accordance with Section 2.1(c).

"ANNUAL ORDER QUANTITY" means,

- (i) in respect of Contract Year 1, a quantity greater than \*\*\* Tonnes and less than \*\*\* Tonnes,
- (ii) in respect of Contract Year 2, a quantity greater than \*\*\* Tonnes and less than \*\*\* Tonnes,
- (iii) in respect of Contract Year 3, a quantity to be agreed on by the Parties in writing prior to September 30, 2005, which quantity is greater than the Annual Base Quantity for Contract Year 3 minus \*\*\* Tonnes and less than the Annual Base Quantity for Contract Year 3 plus \*\*\* Tonnes, and
- (iv) in respect of each Contract Year from and after Contract Year 4, to Contract Year \*\*%, inclusive, a quantity greater than \*\*\* of the Annual Base Quantity for such Contract Year and less than or equal to \*\*% of the Annual Base Quantity for such Contract Year,

which quantity, in each case, is notified by the Purchaser to the Supplier pursuant to Section 2.6(i).

"APPLICABLE LAW" means any applicable law, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"APPLICABLE LME DISCOUNT PERCENTAGE" means, for each of Contract Year 1 to Contract Year \*\*%, inclusive, \*\*%, and for any Contract Year from and after

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-4-

Contract Year \*\*%, such percentage as may be agreed to by the Parties in connection with any extension of the Term pursuant to Section 5.3.

"BILL OF LADING DATE" means the date of the bill of lading representing Metal cargo to be delivered under this Agreement.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada) or in the City of New York (United States), is a legal holiday, or (ii) a day on which banks are authorized by Applicable Law to close in the city of Montreal (Canada) or in the city of New York (United States).

"COMMERCIALY REASONABLE EFFORTS" means the efforts that a reasonable and prudent Person desirous of achieving a business result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible in the context of commercial relations of the type contemplated in this Agreement; provided, however, that an obligation to use Commercially Reasonable Efforts under this Agreement does not require the Person subject to that obligation to assume any material obligations or pay any material amounts to a Third Party or take actions that would reduce the benefits intended to be obtained by such Person under this Agreement.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"CONSULTATION PERIOD" has the meaning set forth in Section 2.5.

"CONTRACT PRICE" means, for each Tonne of Metal sold and purchased hereunder in any month, the aggregate of the following:

- (i) the Midwest Price calculated for such month,
- (ii) minus the Applicable LME Discount Percentage of the

- LME 3-Month Aluminum Price for such month,
- (iii) plus the Product Premium in effect in such month,
  - (iv) minus the Logistics Discount/Premium Amount applicable in such month (in case of supply to Oswego) or plus the Logistics Discount/Premium Amount applicable in such month (in case of supply to Logan),
  - (v) plus the Cut Premium, if any, applicable to such Metal, and
  - (vi) plus the Small Quantity Premium, if any, applicable to such Metal;

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-5-

such amount shall be rounded upwards to the nearest Dollar.

"CONTRACT YEAR" means (a) initially the period commencing on the Effective Date and ending on the last day of the calendar year in which the Effective Date occurs (such initial period being "CONTRACT YEAR 1") and (b) thereafter, each successive period consisting of twelve calendar months (the first such period being "CONTRACT YEAR 2"), provided that the final Contract Year shall end on the last day of the Term.

"CPT" means, to the extent not inconsistent with the provisions of this Agreement, CPT as defined in Incoterms 2000, published by the ICC, Paris, France, as amended from time to time.

"CUT PREMIUM" means, in respect of each Tonne of Metal supplied hereunder, an amount equal to (i) \$\*\*\* per Tonne for one butt, or (ii) \$\*\*\* per Tonne for two butts; provided that Cut Premium is only applicable if the Purchaser has requested, in the Firm Order relating to the applicable supply of Metal, that the Supplier remove butts of the supplied Metal.

"DEFAULT INTEREST RATE" means the greater of \*\*\*% per annum or the Prime Rate plus \*\*\*% per annum, but in no event shall the Default Interest Rate exceed the maximum rate of interest permitted by Applicable Law.

"DEFAULTING PARTY" has the meaning set forth in Section 6.

"DELIVERY SITE" means any of the following facilities of the Purchaser, as specified, in respect of each shipment of Metal hereunder in the Firm Orders provided by the Purchaser hereunder:

- (i) Oswego Plant, Oswego, New York;
- (ii) Logan Aluminum, Russelville, Kentucky; or
- (iii) such other facilities of the Purchaser as may be agreed to by the Supplier.

"DISPUTES" has the meaning set forth in Section 9.1.

"DOLLARS" or "\$" means the lawful currency of the United States of America.

"EFFECTIVE DATE" means the "Effective Date" as defined in the Separation Agreement.

"ESTIMATED ANNUAL CAPACITY" has the meaning set out in Section 2.4(b) (i), subject to any adjustment pursuant to Section 2.5.

"ESTIMATED ANNUAL ORDER QUANTITY" has the meaning set out in Section 2.3(b) (i), subject to any adjustment pursuant to Section 2.5.

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-6-

"ESTIMATED MONTHLY CAPACITY" has the meaning set out in Section

2.4(b) (ii), subject to any adjustment pursuant to Section 2.5.

"ESTIMATED MONTHLY CAPACITY UPDATE" has the meaning set forth in Section 2.7(a).

"ESTIMATED MONTHLY DEMAND" has the meaning set out in Section 2.3(b) (ii), subject to any adjustment pursuant to Section 2.5, Section 2.6(ii) or Section 2.7(b) (ii).

"EVENT OF DEFAULT" has the meaning set forth in Section 6.

"FIRM ORDER" has the meaning set forth in Section 2.7(b) (i).

"FORCE MAJEURE" has the meaning set forth in Section 3.2.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"ICC" means the International Chamber of Commerce.

"INCOTERMS 2000" means the set of international rules updated in the year 2000 for the interpretation of the most commonly used trade terms for foreign trade, as published by the ICC.

"LIABILITIES" has the meaning set forth in the Separation Agreement.

"LME 3-MONTH ALUMINUM PRICE" for any calendar month means the arithmetic average LME 3-Month seller's price for primary high grade aluminum, as published in Metal Bulletin on each day during the calendar month preceding such calendar month or as otherwise determined pursuant to Section 2.10(b). For avoidance of doubt, the LME 3-Month Aluminum Price for the month of April will be based on aluminum prices published during the month of March.

"LME" means the London Metal Exchange.

"LOGISTICS DISCOUNT/PREMIUM AMOUNT" means, for each of Contract Year 1 to Contract Year \*\*\*, inclusive, (i) in respect of any supply to Oswego, a discount of \$\*\*\* per Tonne and (ii) in respect of any supply to Logan, a surcharge of \$\*\*\* per Tonne, and for any Contract Year from and after Contract Year \*\*\*, such amount as may be agreed to by the Parties in connection with any extension of the Term pursuant to Section 5.3.

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-7-

"MAXIMUM ANNUAL SUPPLY OBLIGATION" means:

- (i) in respect of Contract Year 1, \*\*\* Tonnes,
- (ii) in respect of Contract Year 2, \*\*\* Tonnes,
- (iii) in respect of Contract Year 3, \*\*\* Tonnes, and
- (iv) in respect of each Contract Year from and after Contract Year 4 to Contract Year \*\*\*, inclusive, the maximum amount of the permitted range of the Annual Order Quantity for such Contract Year.

"METAL" means aluminum sheet ingot having the specifications set forth in SCHEDULE 2.

"MIDWEST PRICE" for any calendar month means the arithmetic average of the mid-west transaction prices for primary high grade aluminum, as published in Metals Week on each day during the calendar month preceding such calendar month or as otherwise determined pursuant to Section 2.10(b). As an example, the Midwest Price for the month of April will be based on metal prices published during the month of March.

"MINIMUM ANNUAL PURCHASE QUANTITY" means:

- (i) in respect of Contract Year 1, \*\*\* Tonnes,

- (ii) in respect of Contract Year 2, \*\*\* Tonnes,
- (iii) in respect of Contract Year 3, \*\*\* Tonnes, and
- (iv) in respect of each Contract Year from and after Contract Year 4 to Contract Year \*\*\*, inclusive, the minimum amount of the permitted range of the Annual Order Quantity for such Contract Year.

"MONTH M1" has the meaning set forth in Section 2.7(b)(i).

"MONTHLY OFFTAKE QUOTE" has the meaning set out in Section 2.7(b).

"NOVELIS" means Novelis Inc.

"NOVELIS GROUP" means Novelis Inc. and its Subsidiaries from time to time on and after the Effective Date.

"PARTY" means each of the Purchaser and the Supplier as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

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-8-

"PRIME RATE" means the floating rate of interest established from time to time by the Royal Bank of Canada (the "BANK") as the reference rate of interest the Bank will use to determine rates of interest payable by its borrowers for commercial loans denominated in Dollars and made by the Bank to such borrowers in Canada and designated by the Bank as its "prime rate" and which shall change from time to time as changed by the Bank.

"PRODUCT PREMIUM" means,

- (i) in respect of Metal supplied hereunder from and after January 1, 2005 to June 30, 2005, the premiums set out in SCHEDULE 1;
- (ii) in respect of Metal supplied hereunder during the period from and after July 1, 2005 to June 30, 2006, the premium identified in paragraph (i) above, subject to adjustment in accordance with the mechanism described in the second part of SCHEDULE 1, and
- (iii) in respect of Metal supplied hereunder at any time from and after July 1, 2006, such amount, as adjusted on July 1 in each Contract Year by adding to the then applicable Product Premium an amount equal to such percentage of the then applicable Product Premium as is equal to 1/2 the percentage variation in the US CPI that has taken place between January 1 and December 31 in the immediately preceding calendar year,

provided that Product Premium payable in respect of Metal in the 5XXX alloy series will be adjusted on January 1, 2005, July 1, 2005 and January 1, 2006 based on actual magnesium prices paid by the Supplier during the six month period immediately preceding the date of adjustment (subject to the application of Section 2.10(c)).

"PURCHASER" has the meaning set forth in the Preamble to this Agreement.

"SALES TAX" means any sales, use, consumption, goods and services, value added or similar tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SMALL QUANTITY PREMIUM" means an amount equal to \$\*\*\* per Tonne, payable in respect of supplies hereunder where the alloy size combination ordered by the Purchaser in any Firm Order is under the lesser of 100 Tonnes or one furnace load.

"SPECIFICATIONS" means specifications for Metal as set out in SCHEDULE 2.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of

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-9-

which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

"SUPPLIER" has the meaning set forth in the Preamble to this Agreement.

"SUPPLIER FACILITIES" means the facilities of the Supplier located in any of the following locations, to be selected at the Supplier's option:

- (i) Laterriere,
- (ii) Grand Baie,
- (iii) Becancour,
- (iv) Kitimat,
- (v) or such other locations as may be agreed to by the Purchaser in accordance with Section 2.1(b).

"SUPPLY SCHEDULE" means in respect of each Contract Year, the notice of Estimated Annual Capacity for such Contract Year and Estimated Monthly Capacity in respect of each calendar month therein, delivered by the Supplier pursuant to Section 2.4(b).

"TERM" has the meaning set forth in Section 5.2.

"TERMINATING PARTY" has the meaning set forth in Section 6.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member or an Affiliate of Alcan Group or a member or an Affiliate of Novelis Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

"TONNE" means 1,000 kilograms.

"US CPI" means the Consumer Price Index for All Urban Consumers, as published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor.

## 1.2 CURRENCY

All references to currency herein are to Dollars unless otherwise specified.

-10-

## 1.3 VIENNA CONVENTION

The Parties agree that the terms of the United Nations Convention (Vienna Convention) on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement or the obligations of the Parties hereunder.

## 2. METAL

### 2.1 SUPPLY AND SALE BY THE SUPPLIER

- (a) Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Supplier shall supply and sell to the Purchaser "CPT the applicable Delivery Site" the quantities of Metal determined in accordance with this Agreement.

- (b) The Supplier shall supply Metal from a Supplier Facility of the Supplier's choosing or from such other sources and locations as may be agreed by the Parties. If the Supplier wishes at any time to deliver Metal hereunder to the Purchaser from a source other than the facilities named in the definition of "Supplier Facilities" herein, it may do so provided such Metal complies with the Specifications and the Purchaser has confirmed in writing that the source of such Metal is acceptable to it. The Purchaser shall act reasonably in providing such confirmation.
- (c) The quantity of Metal which the Purchaser agrees to purchase and the Supplier agrees to supply hereunder shall be subject to reduction on a pro rata basis in the event the Supplier provides notice to the Purchaser that one of the Supplier Facilities owned by the Supplier has been temporarily or permanently shut down by the Supplier, provided such shut down has occurred as a result of a good faith decision by the Supplier that the continued operation of such Supplier Facility would be uneconomic or otherwise unviable or non value-maximizing for the Supplier. This reduction shall be for such quantity as may be agreed by the Parties and, failing agreement, shall be for such quantity as is equal to the Estimated Annual Capacity for the applicable Contract Year multiplied by the annual reduction capacity of the Supplier Facilities that have been shut down, and divided by the total annual production capacity of all Supplier Facilities before giving effect to the shutdown.

## 2.2 PURCHASE BY THE PURCHASER

Subject to the terms and conditions of this Agreement, beginning on the Effective Date and continuing throughout the Term of this Agreement, the Purchaser shall purchase and take delivery from the Supplier "CPT the applicable Delivery Site" the quantities of Metal determined in accordance with this Agreement.

-11-

## 2.3 NOTIFICATION OF ESTIMATED QUANTITIES OF METAL REQUIRED BY THE PURCHASER

- (a) The Purchaser agrees to purchase and the Supplier agrees to supply, in each Contract Year, in accordance with the terms hereof, a quantity of Metal which is no less than the Minimum Annual Purchase Quantity for such Contract Year.
- (b) With respect to the purchase of Metal hereunder in any Contract Year, the Purchaser shall provide to the Supplier no later than on September 1 of the Contract Year preceding such Contract Year:
  - (i) an estimate, in Tonnes, of the Annual Order Quantity (the "ESTIMATED ANNUAL ORDER QUANTITY" for such Contract Year); and
  - (ii) an estimate, in Tonnes, of the quantity of Metal required for each month in such Contract Year (the "ESTIMATED MONTHLY DEMAND"), provided (1) the amount for each month shall be less than or equal to \*\*\*% of the Estimated Annual Order Quantity for such Contract Year divided by 12, and greater than or equal to \*\*\*% (or, for no more than 2 months, \*\*\*%), of the Estimated Annual Order Quantity divided by 12, and (2) the aggregate of the Estimated Monthly Demand amounts for all months in such Contract Year shall equal the Estimated Annual Order Quantity notified pursuant to paragraph (i) above.

The Estimated Annual Order Quantity for Contract Year 1 and the Estimated Monthly Demand for each month in Contract Year 1, are set out in SCHEDULE 3.

## 2.4 NOTIFICATION OF ESTIMATED QUANTITIES OF METAL SUPPLIED BY THE SUPPLIER

- (a) The Supplier shall have no obligation to supply Metal in a Contract Year in excess of the Maximum Annual Supply Obligation for such Contract Year, unless otherwise agreed by the Parties hereto.
- (b) With respect to the supply of Metal hereunder in any Contract Year, the Supplier shall provide to the Purchaser no later than September 15 of the Contract Year preceding such Contract

Year:

- (i) an estimate, in Tonnes, of the Supplier's supply capacity of Metal for such Contract Year (the "ESTIMATED ANNUAL CAPACITY"), which amount shall be greater than or equal to the Maximum Annual Supply Obligation for such Contract Year, and
- (ii) an estimate, in Tonnes, of the Supplier's supply capacity of Metal for each month in such Contract Year (the "ESTIMATED MONTHLY CAPACITY"), provided that the Estimated Monthly Capacity in respect of each month shall be equal to or greater than the Estimated Monthly Demand for such month notified by the Purchaser in accordance with Section 2.3(b) (ii).

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-12-

In determining the Estimated Annual Capacity and the Estimated Monthly Capacity, in each case, the Supplier shall take into account actual operating days in the relevant Contract Year or month, as applicable (taking into account planned shutdowns of the Supplier Facilities), existing commitments of the Supplier for supply to other Persons, and seasonal factors affecting the Supplier's capacity.

The Estimated Annual Capacity for Contract Year 1 and the Estimated Monthly Capacity for each month in Contract Year 1 are set out in SCHEDULE 3.

#### 2.5 CHANGES TO ESTIMATES

In respect of the purchase and supply of Metal hereunder in any Contract Year, the Purchaser and Supplier agree to consult during the period September 1 to October 31 in the year preceding such Contract Year (the "CONSULTATION PERIOD") with respect to offtake and capacity issues effecting the estimates of purchase requirements and supply capacity provided by the Purchaser and Supplier, respectively, pursuant to Sections 2.3 and 2.4. During such Consultation Period the Purchaser may propose to purchase a quantity of Metal in such Contract Year in excess of the Maximum Annual Supply Obligation for such Contract Year and/or to modify the Estimated Annual Order Quantity or Estimated Monthly Demand amounts notified by the Purchaser in respect of such Contract Year, provided that the Supplier shall be under no obligation to agree to such proposal by the Purchaser. During such Consultation Period the Supplier may propose a revised Supply Schedule provided that the Purchaser shall be under no obligation to agree to such revised Supply Schedule, and the Supplier shall be under no obligation to comply with the terms of such revised Supply Schedule, unless the Parties agree to such changes. The Parties shall consult and negotiate in good faith during the Consultation Period with respect to any such matters proposed by the Purchaser or Supplier, as applicable, and will discuss planned maintenance shutdowns at any of the Delivery Sites or the Supplier Facilities and if possible, schedule down-time events relating to such plant maintenance shutdowns for times which are mutually agreeable to the Purchaser and the Supplier with a view to avoiding production disruption at the Supplier Facilities or inventory build-ups at any of the Supplier Facilities or the Delivery Sites.

#### 2.6 NOTIFICATION OF ANNUAL ORDER QUANTITY

In respect of the purchase and supply of Metal hereunder in any Contract Year, the Purchaser shall deliver to the Supplier on or before October 31 in the year preceding such Contract Year, a notice setting forth:

- (i) the firm Annual Order Quantity for such Contract Year, which shall be no less than the Minimum Annual Purchase Quantity calculated for such Contract Year, and

-13-

- (ii) the Estimated Monthly Demand (which may be updated from the amount notified pursuant to Section 2.3(b) (ii)) for each month in such Contract Year

provided (1) such amount in respect of each month shall be less than or equal to \*\*\*% of the Annual Order Quantity for such Contract Year divided by 12, and greater than or equal to \*\*\*% (or \*\*\*% for no more than 2 months) of the Annual Order Quantity for such Contract Year divided by 12, and (2) such amount in respect of any month does not exceed the Estimated Monthly Capacity notified by the Supplier in respect of such month pursuant to Section 2.4(b)(ii) (as such amount may be adjusted pursuant to Section 2.5).

## 2.7 MONTHLY QUANTITY MANAGEMENT

- (a) Throughout the Term of this Agreement, by the first day of each month (and if such day is not a Business Day, on the Business Day immediately preceding such day), the Supplier shall notify the Purchaser of its updated Estimated Monthly Capacity for each month (including the month in which such notice is delivered) of the then current Contract Year (such amount referred to as the "ESTIMATED MONTHLY CAPACITY UPDATE"), which Estimated Monthly Capacity Update:
- (i) shall not be subject to adjustment in excess of +/- 5% by the Supplier in respect of the first three months in respect of which such notice is sent, such that the amount notified in respect of such months may not be reduced or increased by more than 5% in subsequent Estimated Monthly Capacity Updates delivered under this Section 2.7;
  - (ii) shall be an indicative amount for each of the remaining months in the then current Contract Year included in such notification, which amount may be modified in future Estimated Monthly Capacity Updates delivered pursuant to this Section 2.7; and
  - (iii) shall be, in respect of each month, equal to or greater than the Estimated Monthly Demand most recently notified by the Purchaser in respect of such month pursuant to Section 2.6 (subject to any adjustment pursuant to Section 2.5).
- (b) Throughout the Term of this Agreement by the 15th day of each month (and if such day is not a Business Day, on the Business Day immediately preceding such 15th day), the Purchaser shall provide to the Supplier a notice (referred to as the "MONTHLY OFFTAKE QUOTE") setting forth the following:
- (i) the quantity of Metal which the Purchaser commits to purchase hereunder in the next succeeding month ("MONTH M1"), which quantity, shall be greater than or equal to \*\*\*% of the Annual Order Quantity for the Contract Year in which Month M1 takes place divided by 12, and

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-14-

less than or equal to \*\*\*% of the Annual Order Quantity for the Contract Year in which Month M1 takes place divided by 12, and identifying the Delivery Site or Delivery Sites to which such Metal should be delivered (which notification in respect of Month M1 is referred to herein as the "FIRM ORDER" for such month), and the Purchaser hereby agrees that it shall purchase from the Supplier in Month M1 a quantity of Metal which is no less than \*\*\*% of the quantity identified in the Firm Order, and no more than \*\*\*% than the quantity identified in such Firm Order;

- (ii) an updated Estimated Monthly Demand for each month subsequent to Month M1 occurring in the Contract Year in which Month M1 occurs, which updated amount:
  - (1) shall be greater than or equal to \*\*\*% (or \*\*\*% for no more than 2 months) of the Annual Order Quantity for the Contract Year in which such month takes place divided by



12, and less than or equal to \*\*\*% of the Annual Order Quantity for the Contract Year in which such month takes place divided by 12; and

- (2) when aggregated with all quantities of Metal actually purchased by the Purchaser hereunder in all months prior to Month M1 occurring in the same Contract Year, shall be no less than the Minimum Annual Purchase Quantity in respect of such Contract Year,

provided that the Firm Order for Month M1 and each Estimated Monthly Demand for each subsequent month shall be no more than the Estimated Monthly Capacity Update most recently notified by the Supplier in respect of such month.

#### 2.8 WEEKLY QUANTITY MANAGEMENT

The Parties shall cooperate in coordinating capacity demand and shipments within each calendar month. Supplier's weekly capacity shall, absent normal course capacity constraints, be within the range of \*\*\*% to \*\*\*% of 1/4 of the Estimated Monthly Capacity Update last provided by the Supplier hereunder in respect of the month containing the relevant week.

#### 2.9 SUPPLIER'S SHIPPING OBLIGATIONS

- (a) The Supplier shall supply to the Purchaser, in accordance with the terms hereof, in each month, such quantity of Metal as is identified by the Purchaser in respect of such calendar month in the Firm Order for such month delivered by the Purchaser in accordance with Section 2.7(b) (i).
- (b) Notwithstanding the provisions of Incoterms 2000 and Section 2.13, the Supplier acknowledges its responsibility to make all necessary arrangements for the transportation of Metal to the Delivery Site on behalf of the Purchaser.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-15-

The Supplier shall act as the disclosed agent of the Purchaser in entering into contracts for hiring carriers for the shipment of Metal under this Agreement. In doing this, the Supplier shall use Commercially Reasonable Efforts to obtain competitive freight rates and shall obtain approval from the Purchaser before entering into any long term contracts for hiring carriers on behalf of the Purchaser. The Supplier shall use Commercially Reasonable Efforts to ensure that such transportation is suitable for delivering the Metal to the Delivery Site.

- (c) The Supplier undertakes to maintain the same practices and levels of service in respect of shipments of Metal hereunder consistent with its past and current practices. The Supplier undertakes to ensure that any shipments of Metal supplied hereunder:
- (i) to the Purchaser's facilities at Oswego Plant, Oswego, New York, shall be made by rail to an intermediate point (which may be Brockville, Ontario), with onward shipment to such Delivery Site by truck; and
- (ii) to the Purchaser's facilities at the Logan Aluminum Plant, Russelville, Kentucky, are made by either rail or truck, at the Supplier's option.
- (d) Matters regarding shipment and delivery performance hereunder shall be governed by the provisions of SCHEDULE 4.

#### 2.10 PRICE

- (a) The price payable by the Purchaser to the Supplier for each Tonne of Metal sold and purchased pursuant to Sections 2.1 and 2.2 shall be the Contract Price. The date used for calculating the Contract Price for any shipment of Metal shall be the Bill of Lading Date.

- (b) In the event that (i) LME ceases or suspends trading in aluminum, (ii) Metal Week ceases to be published or ceases to publish the relevant reference price for determining the Midwest Price, or (iii) Metal Bulletin ceases to be published or ceases publication of the relevant reference price for determining the LME 3-Month Aluminum Price, the Parties shall meet with a view to agreeing on an alternative publication or, as applicable, reference price. If the Parties fail to reach an agreement within sixty (60) days of any Party having notified the other to enter into discussions to agree to an alternative publication or reference price, then the Chairman of the LME in London, England or his nominee shall be requested to select a suitable reference in lieu thereof and an appropriate amendment to the terms of this Section 2.10. The decision of the Chairman or his nominee shall be final and binding on the Parties.
- (c) The Purchaser shall be entitled to request a review by an independent external auditor of the Supplier's cost data used to calculate adjustments made to the Product Premium based on actual magnesium prices paid by the Supplier, which review shall be carried out on a confidential basis with no disclosure of

-16-

such cost data to the Purchaser. Subject to the Supplier being satisfied, acting reasonably, with the arrangements in place to ensure the confidentiality of the cost data disclosed to such external auditors, the Supplier shall make such data available to such external auditors to enable such review.

- (d) The Supplier shall use Commercially Reasonable Efforts to review its costing practices with a view to reducing the alloy size combination to less than one furnace load.

## 2.11 QUALITY

- (a) Metal supplied under this Agreement shall comply with the Specifications set forth in SCHEDULE 2. The Supplier shall use Commercially Reasonable Efforts to notify the Purchaser prior to shipment of any Metal that does not meet Specifications. The Purchaser shall not be required to accept delivery of any Metal that does not meet Specifications. If the Purchaser does not accept delivery of Metal not meeting Specifications, the Supplier's obligation shall be limited to the assumption of all costs for return of such Metal to the Supplier, and for the delivery of replacement Metal to the Purchaser. All other express or implied warranties, conditions and other terms relating to Metal hereunder, including warranties relating to merchantability or fitness for a particular purpose, are hereby excluded to the fullest extent permitted by Applicable Law.
- (b) If the Specifications for Metal supplied by the Supplier change, the Supplier may propose that the Specifications set forth in SCHEDULE 2 be amended to reflect such changes. If the revised Specifications do not result in increased costs for the processing of such Metal by the Purchaser, the Purchaser shall not unreasonably withhold or delay its consent to such changed specifications.

## 2.12 PAYMENT

- (a) The Purchaser shall pay the Supplier in full for each shipment of Metal meeting the Specifications set out in SCHEDULE 2 or otherwise accepted by the Purchaser in accordance with the Supplier's commercial invoice within thirty (30) days of the Bill of Lading Date.
- (b) If the Purchaser believes that a shipment of Metal does not meet the Specifications set out in SCHEDULE 2 and has rejected such shipment in a timely manner in accordance with the terms hereof, it need not pay the invoice. However, if the Purchaser subsequently accepts that the Metal complies with the Specifications set out in SCHEDULE 2, the Purchaser shall pay the invoice and, if payment is overdue pursuant to Section 2.12(a), interest in accordance with Section 2.12(c).
- (c) If any payment required to be made pursuant to Section 2.12(a) above is overdue, the full amount shall bear interest at a rate per annum equal to the

Default Interest Rate calculated on the actual number of days elapsed, accrued from and excluding the date on which such payment was due, up to and including the actual date of receipt of payment in the nominated bank or banking account.

- (d) All amounts paid to the Supplier or the Purchaser hereunder shall be paid in Dollars by wire transfer in immediately available funds to the account specified by the Supplier or Purchaser, as applicable, by notice from time to time by one Party to the other hereunder.
- (e) If any Party fails to purchase or supply, as applicable, any quantity of Metal in any month as required under the terms of this Agreement, such Party shall be liable to the other Party for all direct damages, losses and costs resulting from such failure, provided that such other Party shall use its Commercially Reasonable Efforts to mitigate such damages, losses and costs.

2.13 DELIVERY

Metal shall be delivered CPT the Delivery Site identified in each Firm Order. The delivery of Metal pursuant to this Section 2.13 shall be governed by Incoterms 2000, as amended from time to time.

2.14 TITLE AND RISK OF LOSS

Title to and risk of damage to and loss of Metal shall pass to the Purchaser as the Metal is delivered by the Supplier to the carrier.

2.15 PURCHASER AS PRINCIPAL

Purchaser warrants that all Metal to be purchased hereunder shall be purchased for Purchaser's own consumption. Purchaser agrees that it shall not re-sell or otherwise make available to any Person any Metal purchased from the Supplier hereunder, other than in respect of transactions undertaken in small quantities by the Purchaser to balance purchases or Purchaser's metal position.

3. FORCE MAJEURE

3.1 EFFECT OF FORCE MAJEURE

No Party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a Party) under this Agreement where the delay or failure is due to Force Majeure. The obligations of the Party affected by the event of Force Majeure (the "AFFECTED PARTY") shall be suspended, to the extent that those obligations are affected by the event of Force Majeure, from the date the Affected Party first gives notice in respect

of that event of Force Majeure until cessation of that event of Force Majeure (or the consequences thereof).

3.2 DEFINITION

"FORCE MAJEURE" shall mean any act, occurrence or omission (or other event), subsequent to the commencement of the Term hereof, which is beyond the reasonable control of the Affected Party including, but not limited to: fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities, the invocation of Force Majeure by any party to an agreement under which any Party's operations are affected, and any declaration of Force Majeure by the facility producing the Metal, or any other event beyond the reasonable control of the Parties whether or not similar to the events or occurrences enumerated above. In no circumstances shall problems with making

payments constitute Force Majeure.

### 3.3 NOTICE

Upon the occurrence of an event of Force Majeure, the Affected Party shall promptly give notice to the other Party hereto setting forth the details of the event of Force Majeure and an estimate of the likely duration of the Affected Party's inability to fulfil its obligations under this Agreement. The Affected Party shall use Commercially Reasonable Efforts to remove the said cause or causes and to resume, with the shortest possible delay, compliance with its obligations under this Agreement provided that the Affected Party shall not be required to settle any strike, lockout or labour dispute on terms not acceptable to it. When the said cause or causes have ceased to exist, the Affected Party shall promptly give notice to the other Party that such cause or causes have ceased to exist.

### 3.4 PRO RATA ALLOCATION

If the Supplier's supply of any Metal to be delivered to the Purchaser is stopped or disrupted by an event of Force Majeure, the Supplier shall have the right to allocate its available supplies of such Metal, if any, among any or all of its existing customers whether or not under contract, in a fair and equitable manner. In addition, where the Supplier is the Affected Party, it may (but shall not be required to) offer to supply, from another source, Metal of similar quality in substitution for the Metal subject to the event of Force Majeure to satisfy that amount which would have otherwise been sold and purchased hereunder at a price which may be more or less than the price hereunder.

-19-

### 3.5 CONSULTATION

Within thirty (30) days of the cessation of the event of Force Majeure, the Parties shall consult with a view to reaching agreement as to the Supplier's obligation to provide, and the Purchaser's obligation to take delivery of, that quantity of Metal that could not be sold and purchased hereunder because of the event of Force Majeure, provided that any such shortfall quantity has not been replaced by substitute Metal pursuant to the terms above.

In the absence of any agreement by the Parties, failure to deliver or accept delivery of Metal which is excused by or results from the operation of the foregoing provisions of this Section 3 shall not extend the Term of this Agreement and the quantities of Metal to be sold and purchased under this Agreement shall be reduced by the quantities affected by such failure.

### 3.6 TERMINATION

- (a) If an event of Force Majeure where the Affected Party is the Purchaser shall continue for more than twelve (12) consecutive calendar months, then the Supplier shall have the right to terminate this Agreement.
- (b) If an event of Force Majeure where the Affected Party is the Supplier shall continue for more than twelve (12) consecutive calendar months, then the Purchaser shall have the right to terminate this Agreement.

## 4. ASSIGNMENT

### 4.1 PROHIBITION ON ASSIGNMENTS

No Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement except as permitted by Section 4.2, without the prior written consent of the other Party.

### 4.2 ASSIGNMENT WITHIN ALCAN GROUP OR NOVELIS GROUP

- (a) With the consent of Novelis, such consent not to be unreasonably withheld or delayed, Alcan may elect to have one or more of the Persons comprising the Alcan Group assume the rights and obligations of the Supplier under this Agreement, provided that
  - (i) Alcan shall remain fully liable for all obligations of the Supplier hereunder, and
  - (ii) the transferee will remain at all times a member of the Alcan Group;

any such successor to Alcan as a Supplier under this Agreement shall be deemed to be the "SUPPLIER" for all purposes of the Agreement.

(b) With the consent of Alcan, such consent not to be unreasonably withheld or delayed, Novelis may elect to have one or more of the Persons comprising the Novelis Group assume the rights and obligations of the Purchaser under this Agreement, provided that

(i) Novelis shall remain fully liable for all obligations of the Purchaser hereunder, and

(ii) the transferee will remain at all times a member of the Novelis Group;

any such successor to Novelis as Purchaser under this Agreement shall be deemed to be the "PURCHASER" for all purposes of this Agreement.

## 5. TERM AND TERMINATION

### 5.1 EFFECTIVENESS

This Agreement shall come into effect upon the Effective Date.

### 5.2 TERM

The term of this Agreement (the "TERM") shall be from the Effective Date until December 31, \*\*\*, unless terminated earlier or extended pursuant to the provisions of this Agreement.

### 5.3 EXTENSION

One year prior to the expiration of the Term, the Parties may, upon the request of any Party, meet to negotiate in good faith a possible extension of the Term for a further period on terms to be mutually agreed (including in respect of quantities and price of Metal to be purchased and supplied hereunder). If no such agreement is reached between the Parties, the Agreement shall terminate upon expiry of the Term.

### 5.4 TERMINATION

This Agreement shall terminate:

- (a) upon expiry of the Term;
- (b) upon the mutual agreement of the Parties prior to the expiry of the Term;
- (c) pursuant to Section 3.6 as a result of Force Majeure; or
- (d) upon the occurrence of an Event of Default, in accordance with Section 6.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

## 6. EVENTS OF DEFAULT

This Agreement may be terminated in its entirety immediately at the option of a Party (the "TERMINATING PARTY"), in the event that an Event of Default occurs in relation to the other Party (the "DEFAULTING PARTY"), and such termination shall take effect immediately upon the Terminating Party providing notice to the Defaulting Party of the termination.

For the purposes of this Agreement, each of the following shall individually and collectively constitute an "EVENT OF DEFAULT" with respect to a Party:

- (a) such Party defaults in payment of any payments which are due and payable by it pursuant to this Agreement, and such default is not cured within thirty (30) days following receipt by the Defaulting Party of notice of such default;

- (b) such Party breaches any of its material obligations pursuant to this Agreement (other than as set out in paragraph (a) above), and fails to cure it within sixty (60) days after receipt of notice from the non-defaulting Party specifying the default with reasonable detail and demanding that it be cured, provided that if such breach is not capable of being cured within sixty (60) days after receipt of such notice and the Party in default has diligently pursued efforts to cure the default within the sixty (60) day period, no Event of Default under this paragraph (b) shall occur;
- (c) such Party breaches any material representation or warranty, or fails to perform or comply with any material covenant, provision, undertaking or obligation in or of the Separation Agreement;
- (d) in relation to the Purchaser (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.03(b) of the Separation Agreement and pursuant to this paragraph of this Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan to Novelis pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective immediately upon Alcan providing Novelis notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement;
- (e) such Party (i) is bankrupt or insolvent or takes the benefit of any statute in force for bankrupt or insolvent debtors, or (ii) files a proposal or takes any action or proceeding before any court of competent jurisdiction for dissolution, winding-up or liquidation, or for the liquidation of its assets, or a receiver is appointed in respect of its assets, which order, filing or appointment is not rescinded within sixty (60) days; or

-22-

- (f) proceedings are commenced by or against such Party under the laws of any jurisdiction relating to reorganization, arrangement or compromise.

## 7. REPRESENTATIONS AND WARRANTIES

The Parties hereby reiterate for the purposes of this Agreement those representations and warranties set forth in Article VI of the Separation Agreement.

## 8. CONFIDENTIALITY

Each of the Parties shall at all times be in full compliance with its obligations under Sections 11.07 and 11.08 (Confidentiality) of the Separation Agreement.

## 9. DISPUTE RESOLUTION

### 9.1 DISPUTES

The Master Agreement with respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) ("DISPUTES") between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

### 9.2 CONTINUING OBLIGATIONS

The existence of a Dispute with respect to this Agreement between the Parties shall not relieve either Party from performance of its obligations under this Agreement that are not the subject of such Dispute.

## 10. MISCELLANEOUS

### 10.1 CONSTRUCTION

The terms of Section 16.04 (Construction) of the Separation Agreement shall apply to this Agreement, mutatis mutandis, as if all references therein to the "Agreement" were deemed to be references to this Agreement.

#### 10.2 PAYMENT TERMS

Any amount to be paid or reimbursed by one Party to the other under this Agreement, save as expressly provided in Section 2, shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefor and

-23-

setting forth, or accompanied by, reasonable documentation or reasonable explanation supporting such amount.

#### 10.3 NOTICES

All notices and other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO THE PURCHASER, TO:

NOVELIS INC.  
Suite 3800  
Royal Bank Plaza, South Tower  
P.O. Box 84  
200 Bay Street  
Toronto, Ontario  
M5J 2Z4

Fax: 416-216-3930

Attention: Chief Executive Officer

IF TO THE SUPPLIER, TO:

ALCAN INC.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2  
Fax: 514-848-8115

Attention: Chief Legal Officer

Any Party may, by notice to the other Party, change the address or fax number to which such notices are to be given.

#### 10.4 GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, irrespective of conflict of laws principles under Quebec law, as to all matters,

-24-

including matters of validity, construction, effect, enforceability, performance and remedies.

#### 10.5 JUDGMENT CURRENCY

The obligations of a Party to make payments hereunder shall not be discharged by an amount paid in any currency other than Dollars, whether pursuant to a court judgment or arbitral award or otherwise, to the extent that the amount so paid upon conversion to Dollars and transferred to an account indicated by the Party to receive such funds under normal banking procedures does not yield the amount of Dollars due, and each Party hereby, as a separate obligation and notwithstanding any such judgment or award, agrees to indemnify the other Party against, and to pay to such Party on demand, in Dollars, any difference between the sum originally due in Dollars and the amount

of Dollars received upon any such conversion and transfer.

10.6 ENTIRE AGREEMENT

This Agreement, the Separation Agreement and schedules, exhibits, annexes and appendices hereto and thereto and the specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

10.7 CONFLICTS

In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail.

10.8 SEVERABILITY

If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

-25-

10.9 SURVIVAL

The obligations of the Parties under Sections 2.10, 2.11, 2.12, 8, 9, 10.4 and 10.9 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.

10.10 EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

10.11 AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.12 WAIVERS

No failure on the part of a Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Applicable Law.

10.13 NO PARTNERSHIP

Nothing contained herein or in the Agreement shall make a Party a partner of any other Party and no Party shall hold out the other as such.

10.14 TAXES, ROYALTIES AND DUTIES

All royalties, taxes and duties imposed or levied on any Metal delivered hereunder (other than any taxes on the income of the Supplier) shall be for the account of and paid by the Purchaser.

10.15 LIMITATIONS OF LIABILITY



- (a) Neither Party shall be liable to the other Party for any indirect, collateral, incidental, special, consequential or punitive damages, lost profit or failure to realize expected savings or other commercial or economic loss of any kind, howsoever caused, and on any theory of liability (including negligence) arising

-26-

in any way out of this Agreement; provided, however, that the foregoing limitations shall not limit any Parties' indemnification obligations for Liabilities with respect to Third Party Claims as set forth Article IX of the Separation Agreement (as if such Article IX was set out in full herein by reference to the obligations of the Parties hereunder).

- (b) Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to any indemnification or reimbursement pursuant to this Agreement.

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-27-

IN WITNESS WHEREOF, the Parties hereto have caused this Metal Supply Agreement to be executed by their duly authorized representatives.

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN INC.

-28-

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

FOIL SUPPLY AGREEMENT

between  
NOVELIS DEUTSCHLAND GMBH  
(as Supplier)  
and  
ALCAN PACKAGING RORSCHACH AG  
(as Purchaser)

IN CONNECTION WITH ALCAN'S OPERATIONS AT RORSCHACH, SWITZERLAND

DATED DECEMBER \_\_\_\_, 2004, WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>  
<CAPTION>

	PAGE
	----
<S> <C>	<C>
1. DEFINITIONS AND INTERPRETATION.....	1
2. PURCHASE AND SUPPLY.....	6
3. SUPPLY OBLIGATIONS.....	8
4. TEMPORARY PLANT CLOSURE.....	9
5. FORCE MAJEURE.....	9
6. PRICE AND PAYMENT.....	10
7. QUALITY, WARRANTIES AND DISCLAIMERS.....	11
8. ASSIGNMENT.....	12
9. EARLY TERMINATION.....	12
10. REPRESENTATIONS AND WARRANTIES.....	13
11. CONFIDENTIALITY.....	14
12. DISPUTE RESOLUTION.....	15
13. MISCELLANEOUS.....	16

</TABLE>

- Annex A - Conversion Prices
- Annex B - TOP 20 Specifications
- Annex C - NON-TOP 20 Specifications

FOIL SUPPLY AGREEMENT

THIS AGREEMENT is dated December \_\_\_\_, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS DEUTSCHLAND GMBH, with its registered office at Hanoverschestrassen, 37075 Goettingen, Germany, a limited liability company incorporated under the laws of Germany (the "SUPPLIER");

AND: ALCAN PACKAGING RORSCHACH AG, with its registered office at Industriestrasse 35, CH 9401 Rorschach, a limited liability company incorporated under the laws of Switzerland (the "PURCHASER").

RECITALS:

WHEREAS Alcan Inc. and Novelis Inc. have entered into a Separation Agreement pursuant to which they set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein), such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis Inc. (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS the Separated Businesses (as defined in the Separation Agreement) held by Novelis Inc. include the manufacture by the Supplier (being a wholly owned Subsidiary of Novelis Inc.) of rolled aluminum, in particular aluminum foil conforming to the Specifications (as defined below), including at the Supplier's plants located in Norf, Ludenscheid and Ohle, Germany.

WHEREAS the business of Alcan Inc. includes, inter alia, the manufacture by the Purchaser (being a wholly owned Subsidiary of Alcan Inc.) of packaging products incorporating aluminum foil, at the Purchaser's plant located at Rorschach, Switzerland.

WHEREAS the Supplier wishes to supply, and the Purchaser wishes to purchase, subject to the terms and conditions of this Agreement, certain minimum quantities of Foil (as defined below), as set out herein.

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

For the purposes of this Agreement the following terms and expressions and variations thereof shall, unless another meaning is clearly required in the context, have the meanings specified or referred to in this Section 1.1:

"AFFECTED PARTY" has the meaning set forth in Section 5.1.

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Foil Supply Agreement, including all of the Annexes hereto.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time on and after the Effective Date.

"APPLICABLE LAW" means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the Canton of St. Gallen, Switzerland, or in the City of Frankfurt/Main, Germany is a legal holiday or (ii) a day on which banks are authorized by any local law to close in the Canton of St. Gallen, Switzerland, or in the City of Frankfurt/Main, Germany.

"CLASSIFICATION" means the classification of Foil as either TOP 20 or NON-TOP 20.

"COMMERCIALY REASONABLE EFFORTS" means the efforts that a reasonable and prudent Person desirous of achieving a business result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible in the context of commercial relations of the type contemplated in this Agreement; provided, however, that an obligation to use Commercially Reasonable Efforts under this Agreement

does not require the Person subject to that obligation to assume any material obligations or pay any material amounts to a Third Party or take actions that would reduce the benefits intended to be obtained by such Person under this Agreement.

"CONFIDENTIAL INFORMATION" has the meaning set forth in Section 11.1.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"CONTRACT PRICE" means the price per Tonne, payable by the Purchaser for Foil, as determined in accordance with Section 6.

"CONVERSION PRICE" means that part of the Contract Price reflecting the conversion by the Supplier of aluminum metal to Foil, set out in ANNEX A in respect of each Classification of Foil.

"DATE OF DELIVERY" means the date on which Foil supplied by the Supplier is delivered DDU at the Delivery Site.

- 2 -

"DDU" means, to the extent not inconsistent with the terms of this Agreement, DDU as defined in Incoterms 2000, published by the ICC, Paris, France, as amended from time to time.

"DEFAULTING PARTY" has the meaning set forth in Section 9.

"DELIVERY SITE" means the Purchaser's Rorschach facility in Switzerland, located at Langrutistrasse, CH 9403 Goldach, Switzerland.

"DISCOUNT" means, for any Quarter, the amount equal to 1% of the LME Price calculated for such Quarter.

"DISPUTE" has the meaning set forth in Section 12.1.

"DOLLARS" means the lawful currency of the United States of America.

"EC DUTY PAID PREMIUM" means, for any Quarter, the arithmetic average of the daily published "EC DUTY PAID PREMIUM" prices, as published in Metal Bulletin on each day during the Quarter preceding such Quarter, expressed in Dollars.

"EFFECTIVE DATE" means the date on which the Supplier becomes a Subsidiary of Arcustarget Inc. which date is expected, as of the date of this Agreement, to be on or before December 31, 2004.

"ESCALATION NOTICE" has the meaning set out in Section 12.2.

"EURO" means the lawful currency of the member states of the European Union that adopted a single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on European Union.

"EVENT OF DEFAULT" has the meaning set forth in Section 9.

"FIRM ORDERS" has the meaning set forth in Section 2.7.

"FOIL" means aluminum foil conforming to the Specifications, produced by the Supplier at any of the Supplier Facilities.

"FORCE MAJEURE" has the meaning set forth in Section 5.2.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"ICC" means the International Chamber of Commerce.

"INCOTERMS 2000" means the set of international rules updated in the year 2000 for the interpretation of the most commonly used trade terms for foreign trade, as published by the ICC.

"LIABILITIES" has the meaning set forth in the Separation Agreement.

- 3 -

"LME PRICE" means, for each Quarter, the arithmetic average LME 3 month seller's and buyer's price for Primary High Grade Aluminum, as published in Metal Bulletin on each day during the Quarter preceding such Quarter, expressed in Dollars. As an example, the LME Price for the Quarter commencing January 1, 2005 will be based on aluminum prices published during the Quarter commencing October 1, 2004.

"LOCAL MARKET PREMIUM" means an amount equal to Dollars 18.00 per Tonne.

"METAL PRICE" means, subject to the application of Section 6.2, in respect of the supply of Foil made in any Quarter, the aggregate of (i) the LME Price for such Quarter, plus (ii) the EC Duty Paid Premium for such Quarter, and minus (iii) the Discount for such Quarter.

"MONTH" means each calendar month throughout the Term of this Agreement.

"MONTHLY FORECAST" has the meaning set out in Section 2.5.

"NON-TOP 20 SPECIFICATIONS" means specifications for NON-TOP 20 aluminum foil as set out in ANNEX C.

"NOVELIS GROUP" means Novelis and its Affiliates from time to time on and after the Effective Date.

"OTIF" has the meaning set forth in Section 3.4.

"PARTY" means each of the Purchaser and the Supplier, as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"PURCHASER" has the meaning set forth in the Preamble to this Agreement.

"PURCHASER'S BUDGET" has the meaning set out in Section 2.4.

"QUARTER" means each period of 3 Months commencing on each of January 1, April 1, July 1 and October 1.

"REPRESENTATIVES" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants or attorneys.

"SALES TAXES" means any sales, use, consumption, goods and services, value added or similar tax, duty or charge imposed pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SPECIFICATIONS" means the TOP 20 Specifications or the NON-TOP 20 Specifications, as applicable.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

- 4 -

"SUPPLIER" has the meaning set forth in the Preamble to this Agreement.

"SUPPLIER FACILITIES" means the production facilities of the Supplier located at Norf, Ludenscheid and Ohle, Germany.

"TERM" has the meaning set forth in Section 1.4.

"TERMINATING PARTY" has the meaning set forth in Section 9.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member of Alcan Group or a member of Novelis Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

"TOP 20 SPECIFICATIONS" means the specifications for TOP 20 aluminum

foil as set out in ANNEX B.

"TONNE" means 1,000 kilograms.

"WEEKLY FORECAST" has the meaning set forth in Section 2.6.

"YEAR" means each period of 12 consecutive Months throughout the Term of this Agreement, commencing on January 1 of each calendar year, provided that the first Year of this Agreement shall commence on the Effective Date and shall terminate on December 31, 2005.

"YEARLY PURCHASE AMOUNT" has the meaning set out in Section 3.1.

1.2 CURRENCY

All references to currency herein are to Euros, unless otherwise specified.

1.3 EFFECTIVENESS

This Agreement shall come into effect on the Effective Date. The Supplier's obligations to supply Foil and the Purchaser's obligations to purchase Foil under this Agreement shall commence on the Effective Date.

1.4 TERM

The term of this Agreement (the "TERM") shall be from the Effective Date until the date which is the five (5) year anniversary thereof, unless terminated earlier as contemplated in Section 1.5.

1.5 TERMINATION

This Agreement shall terminate:

- (a) upon expiry of the Term;
- (b) upon the mutual agreement of the Parties prior to the expiry of the Term;
- (c) pursuant to Section 5.6 as a result of Force Majeure; or
- (d) upon the occurrence of an Event of Default, in accordance with Section 9.

- 5 -

2. PURCHASE AND SUPPLY

2.1 The Purchaser agrees to purchase Foil from the Supplier, and the Supplier agrees to sell Foil to the Purchaser, all in accordance with and subject to the terms of this Agreement.

2.2 All deliveries of Foil pursuant to this Agreement shall be governed by the terms of this Agreement and shall be made DDU Incoterms 2000 (provided it is not inconsistent herewith); the place of delivery will be the Delivery Site, unless otherwise indicated in the Firm Order in respect of such delivery, in which case the place of delivery shall be the location indicated in such Firm Order.

2.3 The range of Foil Classifications purchased and supplied hereunder shall consist of the following:

<TABLE>  
<CAPTION>

Type ----	Description -----
TOP 20	<ul style="list-style-type: none"> <li>o Foil specifications manufactured by the Supplier in a reiterative manner</li> <li>o Specification consisting of a standard set of technical properties (alloy, temper, width, gauge) for Foilstock in upstream processes allowing the Supplier to manufacture maximum variety (width, gauge) of specifications for the Purchaser</li> </ul>
Non - TOP	o Foil specifications manufactured by the Supplier on a non-reiterative manner
Other	o Trials, special products and any other

</TABLE>

2.4 No later than August 30 in each Year, the Purchaser will provide to the

Supplier an annual Foil purchase budget (the "PURCHASER'S BUDGET") for the following Year. The Purchaser's Budget shall identify the volume, in Tonnes, of Foil to be supplied by the Supplier to the Purchaser in the following Year. The Purchaser's Budget for the Year commencing on the Effective Date is \*\*\* Tonnes. The Purchaser hereby undertakes to place Firm Orders in each Year in respect of a quantity of Foil which is not less than 93% and not more than 107% of the Purchaser's Budget for such Year.

2.5 The Purchaser shall provide to the Supplier, on the last Business Day of each Month, a forecast, in Tonnes, of the Foil requirements of the Purchaser for the next succeeding 4 Months (the "MONTHLY FORECAST"). The Purchaser shall utilize its Commercially Reasonable Efforts to make such forecasts accurate, but shall not be bound by such forecasts. The Purchaser undertakes to place Firm Orders for quantities of Foil in each Month which are within the range identified below for such Month, in each case by reference to the latest Monthly Forecast delivered in respect of such Month:

<TABLE>  
<CAPTION>

	Month 4	Month 3	Month 2	Month 1
<S>	<C>	<C>	<C>	<C>
	+/-8% of the Monthly Forecast	+/-7% of the Monthly Forecast	+/-6% of the Monthly Forecast	+/-5% of the Monthly Forecast

</TABLE>

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

2.6 The Purchaser shall provide to the Supplier, on the last Business Day of each week, a forecast, in Tonnes, of the Foil Conforming to TOP 20 Specifications requirements of the Purchaser for the seventh (7th) succeeding week (and, in case of the first such forecast delivered during the Term of this Agreement, also for each of the six (6) weeks next succeeding the week in which such forecast is delivered) (the "WEEKLY FORECAST"). The Purchaser shall use its Commercially Reasonable Efforts to make such forecasts accurate, but shall not be bound by such forecasts.

2.7 The Purchaser shall provide to the Supplier, on the first Business Day of each week, firm orders (the "FIRM ORDERS") for:

- (a) the quantity of Foil conforming to TOP 20 Specifications to be delivered hereunder in the third (3rd) succeeding week (and, in case of the first Firm Order delivered hereunder, the quantity to be delivered in each of the two (2) weeks next following the week in which the Firm Order is delivered), and
- (b) the quantity of Foil conforming to the NON-TOP 20 Specifications to be delivered hereunder in the seventh (7th) succeeding week (and, in case of the first Firm Order delivered hereunder, the quantity to be delivered in each of the six (6) weeks next following the week in which the Firm Order is delivered).

The Purchaser shall be bound to purchase from the Supplier the quantities of Foil identified in such Firm Orders. Each Firm Order shall include a delivery schedule and delivery plan in respect of the Foil to be delivered in such week, and shall identify the place of delivery if it is to be different from the Delivery Site. The Firm Orders delivered pursuant to this Section 2.7 shall be used as the basis for delivery performance evaluation in accordance with Section 3.4.

2.8 The Purchaser shall allocate the amount that is purchased in each Month as evenly as possible in the Firm Orders delivered in respect of each week in such Month.

2.9 Deliveries shall be made during normal working hours, being 07.00 - 16.00 EST or European Summer Time, at the Delivery Site. If the Purchaser requires delivery outside such normal working hours, the Supplier shall use its Commercially Reasonable Efforts to supply Foil as requested by the Purchaser.

2.10 Title and risk of damage to, and loss of, Foil shall pass to the Purchaser upon DDU delivery at the Delivery Site.

- 2.11 The Purchaser shall use its Commercially Reasonable Efforts to minimize the turn-around time of the Supplier's transportation to the Delivery Site. The Purchaser shall ensure that all Foil delivered to the Delivery Site shall be unloaded within one Business Day, unless otherwise agreed by the Parties.
- 2.12 At the request of the Supplier, the Purchaser's Budget may be audited and verified by an external auditor, which shall be PricewaterhouseCoopers, Switzerland, unless otherwise agreed by the Parties, which audit and verification shall take place at the expense of the Purchaser, provided it takes place no more than once per year.

- 7 -

### 3. SUPPLY OBLIGATIONS

- 3.1 The "YEARLY PURCHASE AMOUNT" for each Year shall be as follows:
- (a) during the Year commencing on the Effective Date, 95% of the Purchaser's Budget for such Year;
  - (b) during the Year commencing January 1, 2006, 94% of the Purchaser's Budget for such Year;
  - (c) during the Year commencing January 1, 2007, 93% of the Purchaser's Budget for such Year;
  - (d) during the Year commencing January 1, 2008, 92% of the Purchaser's Budget for such Year; and
  - (e) during the Year commencing January 1, 2009, 90% of the Purchaser's Budget for such Year.
- 3.2 The Supplier shall be obligated hereunder to deliver, in response to Firm Orders received from the Purchaser, an aggregate quantity of Foil in each Year which is not less than the Yearly Purchase Amount for such Year.
- 3.3 The Supplier shall be obligated to deliver, in response to Firm Orders received from the Purchaser, a quantity of Foil in each Month which is within the range identified in respect of such Month in Section 2.5, by reference to the latest Monthly Forecast for such Month delivered by the Purchaser pursuant to Section 2.5.
- 3.4 Each week, the Supplier's performance shall be evaluated on the basis of the percentage (%) of the deliveries made on an "on time in full" ("OTIF") basis. The Supplier is obligated to provide delivery performance of 90% OTIF. If the Supplier achieves a delivery performance below 90% OTIF over a period of 3 (three) consecutive Months, the Purchaser is entitled to require the Supplier, by written notice, to hold at the Supplier's premises a "safety stock" of 100 Tonnes of Foil having Specifications identified by the Purchaser in such notice, and the Supplier shall ensure that it maintains such quantity of such Foil at its premises at all times after receiving such notice from the Purchaser.
- 3.5
- (a) The Supplier shall be responsible for sourcing the aluminum ingots or sheet aluminum required for production of Foil to be supplied to the Purchaser hereunder, provided that the Purchaser may, but shall not be obligated to, provide notice to the Supplier at least eight (8) weeks prior to a scheduled delivery of Foil hereunder (a "SCHEDULED DELIVERY") that it shall provide, or shall arrange for Alcan Inc. or any of its Affiliates to provide, aluminum remelt ingot of quality 99.7%/A7E/P1020, to the Supplier for use in production of Foil to be delivered as part of such Scheduled Delivery.
  - (b) In calculating the Contract Price payable for the Scheduled Delivery, the Metal Price component of the Contract Price shall be equal to zero for the quantity of ingot which the Purchaser actually supplied or arranged to have supplied to the Supplier in accordance with Section 3.5(a).

- 8 -

- (c) Failure by the Purchaser to arrange for delivery to the Supplier any quantity of aluminum ingot shall not relieve the Supplier from any of its obligations hereunder, including the obligation to supply the agreed quantity of Foil to the Purchaser.

### 4. TEMPORARY PLANT CLOSURE



4.1 Where the Supplier plans a temporary maintenance closure of, or a period of reduced production at, the plant from which Foil is sourced (or any part of such plant or any individual production unit) and which may affect the Supplier's ability to supply Foil to the Purchaser in accordance with the Supplier's obligations hereunder, it shall notify the Purchaser accordingly not less than 7 (seven) weeks in advance. The Supplier and the Purchaser will agree an action plan to avoid any bottleneck in the supply of Foil to the Purchaser.

4.2 During any period of temporary closure or reduced production as envisaged in this Section 4, the Supplier shall supply Foil to the Purchaser on a preferential basis.

## 5. FORCE MAJEURE

### 5.1 EFFECT OF FORCE MAJEURE

No Party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a Party) under this Agreement where the delay or failure is due to Force Majeure. The obligations of the Party affected by the event of Force Majeure (the "AFFECTED PARTY") shall be suspended, to the extent that those obligations are affected by the event of Force Majeure, from the date the Affected Party first gives notice in respect of that event of Force Majeure until cessation of that event of Force Majeure (or the consequences thereof).

### 5.2 DEFINITION

"FORCE MAJEURE" shall mean any act, occurrence or omission (or other event), subsequent to the commencement of the Term hereof, which is beyond the reasonable control of the Affected Party including, but not limited to: fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities, or any other event beyond the reasonable control of a Party hereto whether or not similar to the events or occurrences enumerated above. In no circumstances shall problems with making payments constitute Force Majeure.

### 5.3 NOTICE

Upon the occurrence of an event of Force Majeure, the Affected Party shall promptly give notice to the other Party hereto setting forth the details of the event of Force Majeure and an estimate of the likely duration of the Affected Party's inability to fulfil

- 9 -

its obligations under this Agreement. The Affected Party shall use Commercially Reasonable Efforts steps to remove the said cause or causes and to resume, with the shortest possible delay, compliance with its obligations under this Agreement, provided that the Affected Party shall not be required to settle any strike, lockout or labour dispute on terms not acceptable to it. When the said cause or causes have ceased to exist, the Affected Party shall promptly give notice to the other Party that such cause or causes have ceased to exist.

### 5.4 PRO RATA ALLOCATION

If the Supplier's supply of Foil to be delivered to the Purchaser is stopped or disrupted by an event of Force Majeure, the Supplier shall allocate its available supplies of Foil, if any, among any or all of its existing customers whether or not under contract, in a fair and equitable manner. In addition, where the Supplier is the Affected Party, it may (but shall not be required to) offer to supply, from another source, Foil in substitution for Foil subject to the event of Force Majeure to satisfy that amount which would have otherwise been sold and purchased hereunder at a price which may be more or less than the price hereunder.

### 5.5 CONSULTATION

Within thirty (30) days of the cessation of the event of Force Majeure, the Parties shall consult with a view to reaching agreement as to the Supplier's obligation to provide, and the Purchaser's obligation to

take delivery of, that quantity of Foil that could not be sold and purchased hereunder because of the event of Force Majeure, provided that any such shortfall quantity has not been replaced by substitute aluminum foil pursuant to the terms above.

In the absence of any agreement by the Parties, failure to deliver or accept delivery of Foil which is excused by or results from the operation of the foregoing provisions of this Section 5 shall not extend the Term of this Agreement and the quantities of Foil to be sold and purchased under this Agreement shall be reduced by the quantities affected by such failure.

#### 5.6 TERMINATION

- (a) If an event of Force Majeure where the Affected Party is the Supplier shall continue for more than ninety (90) days, then the Purchaser shall have the right to terminate this Agreement.
- (b) If an event of Force Majeure where the Affected Party is the Purchaser shall continue for more than ninety (90) days, then the Supplier shall have the right to terminate this Agreement.

#### 6. PRICE AND PAYMENT

- 6.1 The Contract Price for Foil purchased and supplied under this Agreement in each of Years 1, 2 and 3 shall be the aggregate of the Metal Price, the Conversion Price and the Local Market Premium applicable to such Foil and, in each of Year 4 and 5 shall be agreed to by the Parties prior to commencement of Year 4.
- 6.2 In respect of any supply of Foil hereunder which has been made utilizing aluminum ingot supplied by Alcan or any of its Affiliates to the Supplier in accordance with

- 10 -

Section 3.5, the Metal Price applicable to such Foil shall be equal to zero, and the Contract Price payable in respect of such Foil shall be the Conversion Price applicable to such Foil.

- 6.3 Within ten (10) days following each delivery of Foil, the Supplier shall submit to the Purchaser an invoice in respect thereof. An invoice submitted by facsimile shall be regarded as a valid invoice for purposes of this Agreement. All invoices shall be denominated in Euros. For purposes of converting any portion of the Contract Price that may be denominated in U.S. Dollars to Euros, the exchange rate to be used shall be the rate applicable on the date of the invoice as published by Metal Bulletin on such day.
- 6.4 All invoices submitted pursuant to Section 6.3 shall be paid in Euros no later than 30 days after the date of the invoice. Payment shall be made to the Supplier's bank account, details of which shall be provided by the Supplier to the Purchaser from time to time in writing.
- 6.5 In addition to the Contract Price calculated pursuant to Section 6.1, the Purchaser shall pay to the Supplier all applicable Sales Taxes, which shall be identified and invoiced in the invoices delivered pursuant to Section 6.3.

#### 7. QUALITY, WARRANTIES AND DISCLAIMERS

- 7.1 The Supplier warrants for a period of 18 months from the date of delivery that all Foil supplied hereunder shall conform to the Specifications.
- 7.2 The Purchaser may request a change of the Specifications upon a minimum of 3 (three) Months written notice to the Supplier, which notice includes an updated form of ANNEX B and ANNEX C containing the proposed revised Specifications. The Supplier will use all its Commercially Reasonable Efforts to accommodate such change provided that it is technically possible. In this event, the Conversion Price shall be adjusted, with the agreement of the Purchaser and the Supplier, to reflect the resulting increase or decrease in the costs to the Supplier of conversion resulting from producing Foil to such amended Specifications. If the Purchaser and the Supplier are unable to agree on the amount of such increase or reduction in the Conversion Price within 30 days after submission by the Supplier to the Purchaser of a proposal for such increase or reduction, the Supplier shall provide to the Purchaser detailed calculations of the cost savings or increase to the Purchaser. The Purchaser shall consider such calculation in good faith and either adopt or reject such calculation by notice to the Supplier within 30 days after receipt of such calculations. Upon agreement by the Parties, this Agreement shall be deemed amended by

replacing ANNEX B and ANNEX C with the updated form of ANNEX B and ANNEX C provided by the Purchaser and replacing ANNEX A with an updated ANNEX A setting out the new Conversion Prices agreed to by the Purchaser and the Supplier, all such amendments to be effective on the date of first supply hereunder of Foil conforming to the amended new Specifications. If the Parties do not reach an agreement, the current ANNEX B and ANNEX C shall remain unmodified and continue to be applicable.

- 7.3 The Purchaser shall visually inspect the Foil promptly following delivery, and notify the Supplier within fourteen (14 ) days thereafter of any defects that were or should have been apparent from such inspection.

- 11 -

- 7.4 Where the Supplier has supplied the Purchaser with Foil which does not conform to the Specifications and (if applicable) the Purchaser has given notice in accordance with Section 7.3, the Supplier will either replace the defective Foil with Foil conforming to the Specifications at no extra charge (and will collect the defective Foil at its own expense), or will refund the Contract Price (along with any applicable taxes or other charges paid in respect thereof) paid by the Purchaser for the defective Foil. Where the Supplier has otherwise breached its supply obligations under Section 3, the Purchaser shall be entitled to a compensation payment in an amount equal to the difference between the Contract Price applicable to the supplies of Foil in question, and the best reasonably available price at which it is able to obtain substitute Foil (including the difference in any transport costs and import duties borne by the Purchaser). In addition, the Purchaser shall be entitled to compensation:

- (a) for the difference between the price paid for unusable Foil and its scrap value, and
- (b) for the cost to such Purchaser of its machinery downtime directly resulting from such breach up to a maximum amount of twice the invoiced value of the supplied Foil.

- 7.5 Notwithstanding any other provisions in this Agreement, the Supplier will be liable for, and shall indemnify the Purchaser in respect of, all Liabilities in respect of death or personal injury to any person to the extent that this results from the negligent supply of Foil not conforming to the Specifications.

- 7.6 Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply, mutatis mutandis with respect to any Liability which is subject to any indemnification or reimbursement pursuant to this Agreement.

#### 8. ASSIGNMENT

No Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement, without the prior written consent of the other Party.

#### 9. EARLY TERMINATION

This Agreement may be terminated in its entirety immediately at the option of a Party (the "TERMINATING PARTY"), in the event that an Event of Default occurs in relation to the other Party (the "DEFAULTING PARTY"), and such termination shall take effect immediately upon the Terminating Party providing notice to the Defaulting Party of the termination.

For the purposes of this Agreement, each of the following shall individually and collectively constitute an "EVENT OF DEFAULT" with respect to a Party:

- (a) such Party defaults in payment of any payments which are due and payable by it pursuant to this Agreement, and such default is not cured within sixty (60) days following receipt by the Defaulting Party of notice of such default;
- (b) such Party breaches any of its material obligations pursuant to this Agreement (other than as set out in paragraph (a) above), and fails to cure it within sixty

- 12 -

(60) days after receipt of notice from the non-defaulting Party specifying the default with reasonable detail and

demanding that it be cured, provided that if such breach is not capable of being cured within sixty (60) days after receipt of such notice and the Party in default has diligently pursued efforts to cure the default within the sixty (60) day period, no Event of Default under this paragraph (b) shall occur;

- (c) in case of the Purchaser, Alcan Inc., or in case of the Supplier, Novelis Inc., breaches any representation or warranty, or fails to perform or comply with any covenant, provision, undertaking or obligation in or of the Separation Agreement;
- (d) such Party (i) is bankrupt or insolvent or takes the benefit of any statute in force for bankrupt or insolvent debtors, or (ii) files a proposal or takes any action or proceeding before any court of competent jurisdiction for dissolution, winding-up or liquidation, or for the liquidation of its assets, or a receiver is appointed in respect of its assets, which order, filing or appointment is not rescinded within sixty (60) days; or
- (e) proceedings are commenced by or against such Party under the laws of any jurisdiction relating to reorganization, arrangement or compromise.

10. REPRESENTATIONS AND WARRANTIES

10.1 REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to and in favour of the other Party as follows and acknowledges that the other Party is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it is duly incorporated and organized and is validly existing under the laws of its jurisdiction of incorporation and has the corporate power and authority to own its assets and to conduct its businesses and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein, do not and will not result in the breach of, or violate any term or provision of, its articles or by-laws;
- (c) it is not subject to any outstanding injunction, judgment or order of any Governmental Authority which would prevent or materially delay the transactions contemplated by this Agreement; there are no civil, criminal or administrative claims, actions, suits, demands, proceedings, hearings or investigations pending or, to the Party's knowledge, threatened, at law, in equity or otherwise, in, before, or by, any Governmental Authority which (if successful) would prevent or materially delay the consummation of the transactions contemplated by this Agreement;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced, or is pending or proposed, in respect of it; and
- (e) the execution and delivery of this Agreement and the completion of the transactions contemplated herein, have been duly approved by its Managing

- 13 -

Director and this Agreement constitutes legal, valid and binding obligations of such Party enforceable against it in accordance with its terms, subject to legislation relating to bankruptcy, insolvency, reorganization and other similar legislation of general application and other laws affecting the enforcement of creditors' rights generally, to general principles of equity and limitations upon the enforcement of indemnification for fines or penalties imposed by law and to the discretionary power of the courts as regards specific performance or injunctive relief.

11. CONFIDENTIALITY

11.1 Subject to Section 11.3, each of the Parties shall hold, and shall cause its respective Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) and its Representatives to hold, in strict confidence, with at least the same degree of care that it applies to

its own confidential and proprietary information, all confidential and proprietary information concerning the other Party and its respective Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) that is either in its possession or is furnished by such other Party or Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) of any such Party or its Representatives at any time pursuant to this Agreement or the transactions contemplated hereby (any such information referred to herein as "CONFIDENTIAL INFORMATION"), and shall not use any such Confidential Information other than for such purposes as shall be expressly permitted hereunder. Notwithstanding the foregoing, Confidential Information shall not include information that is or was:

- (i) in the public domain through no fault of such Party or any of its Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) or any of its respective Representatives,
- (ii) lawfully acquired by such Party or any of its Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) from a Third Party not bound by a confidentiality obligation, or
- (iii) independently generated or developed by Persons who do not have access to, or descriptions of, any such confidential or proprietary information of the other Party (or any of its Affiliates (whether now an Affiliate or hereafter becoming an Affiliate)).

11.2 Each Party agrees not to release or disclose, or permit to be released or disclosed, any Confidential Information to any other Person, except its Representatives who need to know such Confidential Information (who shall be advised of their obligations hereunder with respect to such Confidential Information), except in compliance with Section 11.3.

11.3 In the event that any Party or any of its Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) either determines on the advice of its counsel that it is required to disclose any Confidential Information pursuant to Applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Confidential Information of the other Party (or any Affiliate (whether now an Affiliate or hereafter becoming an Affiliate) of such other Party), such Party shall, to the extent permitted by Applicable Law, notify the other Party prior to it or its Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) disclosing or providing

- 14 -

such Confidential Information, and shall use its Commercially Reasonable Efforts to cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the Person that receives such request may thereafter disclose or provide such Confidential Information to the extent (but only to the extent) required by such Applicable Law (as so advised by legal counsel) or by lawful process or by such Governmental Authority and shall promptly provide the Person that receives such request with a copy of the Confidential Information so disclosed, in the same form and format as disclosed, together with a list of all Persons to whom such Confidential Information was disclosed.

12. DISPUTE RESOLUTION

12.1 DISPUTES

The provisions of this Section 12 shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (a "DISPUTE").

12.2 NEGOTIATION

The Parties hereby undertake to attempt in good faith to resolve any Dispute by way of negotiation between senior executives of the Parties who have authority to settle such Dispute. In furtherance of the foregoing, any Party may initiate the negotiation by way of a notice (an "ESCALATION NOTICE") demanding an in-person meeting involving representatives of the Parties at a senior level of management of the Parties (or if the Parties agree, of the appropriate strategic business unit or division within such Party). A copy of any Escalation Notice shall be given to the Chief Legal Officer of each Party (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedures for such negotiation may

be established by the Parties from time to time; provided, however, that the negotiations shall be completed within thirty (30) days of the date of the Escalation Notice or within such longer period as the Parties may agree in writing prior to the expiration of the initial thirty-day period.

### 12.3 ARBITRATION

- (a) Any Dispute which has not been resolved by negotiation as provided herein within thirty (30) days of the date of the Escalation Notice or such extended period as may be agreed to by the Parties, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the ICC then in force.
- (b) The arbitral tribunal shall consist of three arbitrators. The place of arbitration shall be Zurich, Switzerland. The language of the arbitration, and all communications in respect thereof, shall be in English.
- (c) The costs of the arbitration shall be fixed by the arbitral tribunal and shall be borne by the unsuccessful Party, unless the arbitral tribunal, in its discretion, determines a different apportionment, taking all relevant circumstances into account. The costs of arbitration include: (i) the fees and disbursements of the arbitrators, (ii) reasonable travel and other expenses of witnesses; (iii) the reasonable fees and expenses of expert witnesses; and (iv) the costs of legal

- 15 -

representation and assistance, to the extent that the arbitral tribunal determines that the amount of such costs is reasonable.

- (d) The arbitral tribunal shall endeavour to issue its award within sixty (60) days of the last hearing of the substantive issues in dispute between the Parties; however, the arbitral tribunal shall not lose jurisdiction if it fails to respect this delay. The arbitral award shall be final and binding.
- (e) Neither the Parties (including their auditors and insurers) nor their counsel and any Person necessary to the conduct of the arbitration nor the arbitrators shall disclose the existence, content (including submissions and any evidence or documents presented or exchanged), or results of any arbitration hereunder without the prior written consent of the Parties, except as required by Applicable Law or the applicable rules of an applicable stock exchange.

### 12.4 CONTINUING OBLIGATIONS

The existence of a Dispute with respect to this Agreement between the Parties shall not relieve either Party from performance of its obligations under this Agreement that are not the subject of such Dispute.

### 13. MISCELLANEOUS

#### 13.1 CONSTRUCTION

In this Agreement and in the Annexes hereto, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes each other gender;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended, modified, supplemented or restated and in effect from time to time in accordance with the terms thereof subject to compliance with the requirements set forth herein;
- (e) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Applicable Law means that

provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or re-enactment of such section or other provision;

- (f) "herein", "hereby", "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

- 16 -

- (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
- (h) the Table of Contents and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (i) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding"; and
- (j) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

#### 13.2 PAYMENT TERMS

Any amount to be paid or reimbursed by one Party to the other under this Agreement, save as expressly provided in Sections 2, 3 and 6, shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefor and setting forth, or accompanied by, reasonable documentation or reasonable explanation supporting such amount.

#### 13.3 NOTICES

All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery, if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO THE PURCHASER, TO:

Alcan Packaging Rorschach AG  
Industriestrasse 35  
CH 9401 Rorschach

Fax: +41 71 844 3564

Attention: Dr. Joachim Schuppe

IF TO THE SUPPLIER, TO:

Novelis Deutschland GmbH  
Hanoverschestrass,  
37075 Goettingen,  
Germany

Fax: o

Attention: o

Any Party may, by notice to the other Party, change the address or fax number to which such notices are to be given.

- 17 -

#### 13.4 GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with German law, with the exclusion of any conflict of law provisions thereof, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

13.5 JUDGMENT CURRENCY

The obligations of a Party to make payments hereunder shall not be discharged by an amount paid in any currency other than Euros, whether pursuant to a court judgment or arbitral award or otherwise, to the extent that the amount so paid upon conversion to Euros, and transferred to an account indicated by the Party to receive such funds under normal banking procedures does not yield the amount of Euros, due, and each Party hereby, as a separate obligation and notwithstanding any such judgment or award, agrees to indemnify the other Party against, and to pay to such Party on demand, in Euros, any difference between the sum originally due in Euros, and the amount of Euros, received upon any such conversion and transfer.

13.6 ENTIRE AGREEMENT

This Agreement and the exhibits, schedules, annexes and appendices hereto and the specific agreements contemplated herein, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject matter hereof other than those set forth or referred to herein.

13.7 CONFLICTS

In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail.

13.8 SEVERABILITY

If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

13.9 SURVIVAL

The obligations of the Parties under Sections 6, 11, 12, 13.4 and 13.9 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.

13.10 EXECUTION IN COUNTERPARTS

- 18 -

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

13.11 AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

13.12 WAIVERS

No failure on the part of a Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Applicable Law.

13.13 NO PARTNERSHIP

Nothing contained herein or in the Agreement shall make a Party a



partner of any other Party and no Party shall hold out the other as such.

13.14 TAXES, ROYALTIES AND DUTIES

Subject to Section 6.5, (i) all royalties, taxes and duties imposed or levied on any Foil delivered hereunder shall be for the account of and paid by the Supplier to the point of legal delivery, which shall be as stated in Incoterms 2000 in respect of goods sold DDU, and (ii) all royalties, taxes and duties imposed or levied on the Foil after such delivery shall be for the account of and paid by the Purchaser.

13.15 LIMITATIONS OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other Party for any indirect, collateral, incidental, special, consequential or punitive damages arising in any way out of this Agreement; provided, however, that the foregoing limitations shall not limit any Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article IX of the Separation Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

13.16 VIENNA CONVENTION

The Parties agree that the terms of the United Nations Convention (Vienna Convention) on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement or the obligations of the Parties hereunder.

13.17 ENGLISH LANGUAGE

All documents to be furnished or communications to be made or given under this Agreement in connection with any Dispute shall be in the English language or, if in another language, shall be accompanied by a translation into English certified by the

- 19 -

Party making or furnishing such documents or communications, which translation shall be the governing version between the Parties hereto.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

- 20 -

IN WITNESS WHEREOF, the Parties hereto have caused this Foil Supply Agreement to be executed by their duly authorized representatives.

NOVELIS DEUTSCHLAND GMBH

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN PACKAGING RORSCHACH AG

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:



EMPLOYEE MATTERS AGREEMENT

between  
ALCAN INC.  
and  
NOVELIS INC.

Dated December o, 2004 with effect as of the Effective Time

TABLE OF CONTENTS

<TABLE>  
<CAPTION>  
<S>

	Employee matters AGREEMENT.....	1	<C>
1.	DEFINITIONS AND INTERPRETATION.....	1	
1.1	Definitions.....	1	
1.2	Appendices.....	4	
2.	CONFIDENTIALITY.....	5	
3.	LIMITATION OF LIABILITY AND INDEMNIFICATION.....	5	
4.	DISPUTE RESOLUTION.....	6	
5.	REPRESENTATIONS, WARRANTIES AND OTHER COVENANTS.....	6	
6.	ASSIGNMENT.....	6	
7.	TRANSFERRED EMPLOYEES.....	6	
7.1	Continuity of Employment.....	6	
7.2	Continuous Service with Alcan.....	7	
7.3	Collective Agreements.....	7	
7.4	Former Employees.....	8	
7.5	Novelis responsibility for HR Liabilities.....	8	
7.6	Alcan responsibility for HR Liabilities.....	8	
7.7	Severance.....	8	
7.8	Change of Control Agreements.....	8	
8.	EXPATRIATES.....	8	
9.	PENSION AND BENEFITS MATTERS.....	9	
9.1	General Rule.....	9	
9.2	Plans Continued or Assumed by Novelis.....	9	
9.3	Public Plans.....	9	

9.4	Non-Assumed Alcan P.B. Plans.....	9
9.5	Non-Assumed Alcan Pension Plans.....	9
9.6	Non-Assumed Alcan Group Benefit Plans.....	10
10.	EMPLOYMENT-RELATED MATTERS.....	10
10.1	Transferred Employees' Records.....	10
10.2	Vacation.....	11
10.3	Workers' Compensation.....	11
10.4	Cooperation.....	11
11.	ALCAN EQUITY COMPENSATION PLANS.....	11
11.1	General Principles.....	11
11.2	Former Employees.....	12
12.	TRANSITIONAL SERVICES.....	12

-ii-

<TABLE>		
<CAPTION>		
<S>		
13.	MISCELLANEOUS.....	12
13.1	Construction.....	12
13.2	Payment Terms.....	12
13.3	Notices.....	13
13.4	Governing Law.....	13
13.5	Entire Agreement.....	13
13.6	Conflicts.....	13
13.7	Survival.....	13
13.8	Indemnification.....	13
APPENDIX "1"	- CANADA.....	15
APPENDIX "1A"	LIST OF CANADIAN EMPLOYEES.....	22
APPENDIX "2"	- FRANCE.....	23
APPENDIX "2A"	LIST OF FRENCH EMPLOYEES.....	28
APPENDIX "3"	- KOREA.....	29
APPENDIX "3A"	LIST OF KOREAN EMPLOYEES.....	31
APPENDIX "4"	- MALAYSIA.....	32
APPENDIX "4A"	LIST OF MALAYSIAN EMPLOYEES.....	34
APPENDIX "5"	- BRAZIL.....	35
APPENDIX "5A"	LIST OF BRAZILIAN EMPLOYEES.....	39
APPENDIX "5B"	LIST OF CLAIMS AND GRIEVANCES FILED BY BRAZILIAN EMPLOYEES.....	40
APPENDIX "6"	- UNITED KINGDOM.....	41
APPENDIX "6A"	LIST OF UK EMPLOYEES.....	44
APPENDIX "6B"	PENSIONS SCHEDULES (UK) - BRITISH ALCAN RETIREMENT INCOME AND LIFE ASSURANCE PLAN ("BARILA").....	45
APPENDIX "6c"	PENSIONS SCHEDULES (UK) - ALUSSUISSE HOLDINGS UK LIMITED PENSION PLAN ("AH PLAN").....	70
APPENDIX "7"	- GERMANY.....	86
APPENDIX "7A"	LIST OF GERMAN EMPLOYEES.....	90
APPENDIX "8"	- UNITED STATES.....	91
APPENDIX "8A"	LIST OF US EMPLOYEES.....	98
APPENDIX "9"	- ITALY.....	99
APPENDIX "9A"	LIST OF ITALIAN EMPLOYEES.....	105
APPENDIX "10"	- LUXEMBURG.....	106
APPENDIX "10A"	LIST OF LUXEMBURG EMPLOYEES.....	108
</TABLE>		

-iii-

<TABLE>	
<CAPTION>	
<S>	<C>
APPENDIX "11" - SWITZERLAND.....	109
APPENDIX "11A" LIST OF SWISS EMPLOYEES.....	113
APPENDIX "12" - BELGIUM.....	114
APPENDIX "12A" LIST OF BELGIAN EMPLOYEES.....	116
APPENDIX "13" - NETHERLANDS.....	117
APPENDIX "13A" LIST OF DUTCH EMPLOYEES.....	119
APPENDIX "14" CHANGE OF CONTROL AGREEMENTS.....	120
APPENDIX "15" CONVERSION OF RIGHTS IN ALCAN EQUITY COMPENSATION PLANS.....	121
APPENDIX "16" LIST OF EXPATRIATES.....	122
</TABLE>	

EMPLOYEE MATTERS AGREEMENT

THIS AGREEMENT entered into in the City of Montreal, Province of Quebec, is dated December , 2004 with effect as of the Effective Time.

BETWEEN:           ALCAN INC., a corporation organized under the Canada Business Corporations Act ("ALCAN");

AND:                NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS").

RECITALS:

WHEREAS Alcan and Novelis have entered into a Separation Agreement pursuant to which the Parties (as defined below) have set out the terms on which, and the conditions subject to which, they wish to implement the Separation (as defined below) (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS in connection therewith, Alcan and Novelis have agreed to enter into this Agreement to allocate between them assets, liabilities and responsibilities with respect to certain employee compensation, pension and benefit plans, programs and arrangements and certain employment matters and, more specifically, to set out the terms and conditions pertaining to the transfer of the Transferred Employees (as defined below) to Novelis or any other member of Novelis Group (as defined below).

WHEREAS in connection therewith, it is necessary to indicate in individual Appendices (as defined below), by applicable country, certain of the terms and conditions of this Agreement which are applicable to the Employees (as defined below) and Former Employees (as defined below) affected by the transaction described in the Separation Agreement.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1.           DEFINITIONS AND INTERPRETATION

1.1         DEFINITIONS

Unless otherwise defined in this Agreement, capitalized words and expressions and variations thereof used in this Agreement or in its Appendices have, unless a clearly inconsistent meaning is required under the context, the meanings set forth in the Separation Agreement and the following words and expressions and variations thereof used in this Agreement or in its Appendices, unless a clearly inconsistent meaning is required under the context, have the following meanings:

"ALCAN EMPLOYMENT POLICIES" means all material benefits, compensation and employment policies as well as all material practices relating thereto of Alcan Group, applicable to the

Employees and Former Employees in each applicable country immediately prior to the Effective Time, including but not limited to those listed in the Appendices, as well as the following policies, which apply internationally:

- o Individual Performance and Career Management System (IPCM)
- o Job evaluation process with the Hay system
- o Jobs online
- o People development
- o Executive Performance Award (EPA)
- o Environment, Health and Safety First (EHS First)
- o Code of Conduct
- o Policy on International Assignments.

Without limiting the generality of the foregoing, the Alcan Employment Policies include all policies and practices relating to vacation, statutory holidays, leaves of absence, scholarship or tuition reimbursement, dependant care assistance, immigration assistance, employee loans or loan guarantees, severance, compensation or bonus or change of control.

"ALCAN EQUITY COMPENSATION PLANS" means all equity compensation plans of Alcan Group applicable to the Employees and Former Employees in each applicable country, as listed in Section 11.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time after the Effective Time.

"ALCAN P. B. PLANS" means all pension and benefit plans as well as all material practices relating thereto of Alcan Group, applicable to the Employees and Former Employees in each applicable country, including but not limited to those listed in the Appendices. Without limiting the generality of the foregoing, the Alcan P.B. Plans include all retirement, pension, supplemental pension, savings, retirement savings, retiring allowance, profit sharing, deferred compensation, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short term or long term disability, salary continuation, unemployment benefits, tuition fees, employee bonus award, recognition plans or programs and other employee benefit plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured that is maintained or otherwise contributed to, or required to be contributed to, by or on behalf of Alcan Group for the benefit of the Employees and Former Employees, including any public or government sponsored plan.

"AESOP" has the meaning set forth in Section 11.1.

"APPLICABLE WORKERS' COMPENSATION LAW" means the statutory and administrative regime set up within each applicable country for the insurance and management of workplace injuries and illnesses.

"APPENDIX (CES)" means an appendix or the appendices listed in Section 1.2.

"APPO" has the meaning set forth in Section 7.1 of this Agreement.

- 3 -

"COLLECTIVE AGREEMENTS" means all written agreements entered into between Alcan or any other member of Alcan Group and unions on behalf of Employees with respect to the terms and conditions of employment of Employees, in each applicable country, including but not limited to, those listed in the Appendices.

"CONVERTED OPTIONS" has the meaning set forth in Appendix 15.

"DSUP" has the meaning set forth in Section 11.1.

"EFFECTIVE DATE" means the date shown on the Certificate of Arrangement issued by the Director under the Canada Business Corporations Act giving effect to the Separation.

"EFFECTIVE TIME" means 12:01 a.m. Montreal time on the Effective Date.

"EPA" has the meaning set forth in Section 11.1.

"EMPLOYEES" means all employees, including Leave Employees, of the Separated Businesses and the Separated Entities, including but not limited to, those listed in the Appendices.

"EXPATRIATES" means those Employees who are, as at the Effective Time, assigned to a country other than their country of origin, including but not limited to, those listed in Appendix "16".

"FORMER EMPLOYEES" means all former employees of any Separated Business or Separated Entity, as at the Effective Time, including retirees, who were employed by a Separated Business or a Separated Entity when they ceased to be employed by the Alcan Group, for whatever reason.

"GROUP" means Alcan Group or Novelis Group, as the context requires.

"HR LIABILITIES" means all obligations and liabilities for wages, bonuses (including, for greater certainty, all EPA) variable compensation, workers' compensation benefits, pension and other benefits or any other employee claim, including vacation pay, in respect of any Transferred Employee or Former Employee.

"LEAVE EMPLOYEE" means any Employee who is on short-term disability leave, long-term disability leave, pregnancy or parental leave, absent and in receipt of workers' compensation benefits or on any other form of approved leave, as of the Effective Time.

"NON-ASSUMED ALCAN P.B. PLANS" means the Alcan P.B. Plans that are not sponsored by a Separated Business or a Separated Entity and that do not cover exclusively Employees or Former Employees.

"NON-ASSUMED ALCAN GROUP BENEFIT PLANS" means the Non-Assumed Alcan P.B. Plans providing life, dismemberment, health, disability or similar benefits.

"NON-ASSUMED ALCAN PENSION PLANS" means the Non-Assumed Alcan P.B. Plans that are pension plans.

- 4 -

"NOVELIS GROUP" means Novelis and its Subsidiaries from time to time after the Effective Time.

"NOVELIS GROUP BENEFITS PLANS" means the Novelis P.B. Plans providing life, dismemberment, health, disability or similar benefits.

"NOVELIS P.B. PLANS" has the meaning set forth in Section 9.4.

"NOVELIS PENSION PLANS" means the Novelis P.B. Plans that are pension plans.

"PARTY" means each of Alcan and Novelis as a party to this Agreement and "PARTIES" means both of them.

"PARTICIPATION PERIOD" has the meaning set forth in Section 9.4.

"RSU" has the meaning set forth in Section 11.1.

"SEPARATION" means the transfer by Alcan to Novelis, pursuant to a Plan of Arrangement under the Canada Business Corporations Act of substantially all of the aluminium rolled products businesses operated by Alcan prior to December 2003 together with certain other assets, the whole as further described in the Separation Agreement.

"SEPARATION AGREEMENT" has the meaning set forth in the Preamble to this Agreement.

"SPA" has the meaning set forth in Section 11.1.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

"TRANSFERRED EMPLOYEES" means those Employees whose employment is continued with Novelis or any relevant other member of Novelis Group, pursuant to Section 7.1 of this Agreement.

"TRANSITIONAL SERVICES" means the employment related services to be provided by either Party under the Transitional Services Agreement and which are further described in the Transitional Services Agreement.

"TSRP" has the meaning set forth in Section 11.1.

## 1.2 APPENDICES

The following are the Appendices attached to this Agreement and which form part hereof:

Appendix 1 - Canada  
Appendix 1A - List of Canadian Employees  
Appendix 2 - France

- 5 -

Appendix 2A - List of French Employees  
Appendix 3 - Korea  
Appendix 3A - List of Korean Employees

Appendix 4	- Malaysia
Appendix 4A	- List of Malaysian Employees
Appendix 5	- Brazil
Appendix 5A	- List of Brazilian Employees
Appendix 5B	- List of Claims and Grievances Filed by Brazilian Employees and Former Employees
Appendix 6	- United Kingdom
Appendix 6A	- List of United Kingdom Employees
Appendix 7	- Germany
Appendix 7A	- List of German Employees, excluding Alu-Norf Employees
Appendix 8	- United States
Appendix 8A	- List of US Employees
Appendix 9	- Italy
Appendix 9A	- List of Italian Employees
Appendix 10	- Luxembourg
Appendix 10A	- List of Luxembourg Employees
Appendix 11	- Switzerland
Appendix 11A	- List of Switzerland Employees
Appendix 12	- Belgium
Appendix 12A	- List of Belgian Employees
Appendix 13	- Netherlands
Appendix 13A	- List of Dutch Employees
Appendix 14	- Change of Control Agreements
Appendix 15	- Conversion of rights in Alcan Equity Compensation Plans
Appendix 16	- List of Expatriates.

## 2. CONFIDENTIALITY

The terms of the confidentiality provisions set forth in Sections 11.07 and 11.08 of the Separation Agreement shall apply to any and all Confidential Information disclosed in the course of the Parties' interactions under this Agreement including Confidential Information disclosed in the course of and pursuant to the Transitional Services Agreement, and such Confidentiality provisions shall continue to apply notwithstanding the expiry or early termination of the Separation Agreement and Transitional Services Agreement.

## 3. LIMITATION OF LIABILITY AND INDEMNIFICATION

The terms of the Separation Agreement relating to mutual releases and indemnification set forth in Article IX of the Separation Agreement shall apply to this Agreement, as if such Article was set out in full herein by reference to the obligations of the Parties hereunder, subject to the provisions set forth in Section 7.1 of this Agreement.

- 6 -

## 4. DISPUTE RESOLUTION

The Master Agreement with respect to Dispute Resolution among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

## 5. REPRESENTATIONS, WARRANTIES AND OTHER COVENANTS

The Parties hereby reiterate for the purposes of this Agreement those representations and warranties set forth in Article VI of the Separation Agreement.

In addition and without limiting the generality of the foregoing, Novelis shall, and shall cause, where applicable, any relevant other member of Novelis Group to, comply with all covenants and undertakings set out in this Agreement, including all Appendices, that are made by Novelis, whether on its own behalf or on behalf of Novelis Group or any relevant other member of Novelis Group, such as those mentioned in Sections 7, 8, 9, 10 and 11 of this Agreement (which enumeration is not intended to be exhaustive), subject to Applicable Law.

## 6. ASSIGNMENT

Neither Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement without the prior written consent of the other Party.

## 7. TRANSFERRED EMPLOYEES

### 7.1 CONTINUITY OF EMPLOYMENT

Novelis and each relevant other member of Novelis Group shall continue the



employment of the Employees whose employment is automatically transferred to it pursuant to Applicable Law, on substantially comparable terms and conditions, in the aggregate, (including the Alcan P.B. Plans and the Alcan Employment Policies) as those applicable at the Effective Time to the Employees, and shall maintain such terms and conditions for a period up to and including the first anniversary of the Effective Time or for such longer period as is required pursuant to Applicable Law.

With respect to Employees whose employment is not automatically transferred pursuant to Applicable Law, or if required pursuant to Applicable Law, Novelis and each relevant other member of Novelis Group will offer such Employees continuation of employment on substantially comparable terms and conditions, in the aggregate, (including the Alcan P.B. Plans and the Alcan Employment Policies) as those applicable at the Effective Time to such

- 7 -

Employees, by means of a letter from Novelis Group in such form as may be required by Applicable Law or in such other legally permissible and effective form as may be appropriate.

Notwithstanding the foregoing, Novelis and each relevant other member of Novelis Group shall have the right to modify such terms and conditions of employment before the expiry of said one year period, only if such changes are part of a Collective Agreement.

Without limiting the generality of the foregoing, Novelis and each relevant other member of Novelis Group shall offer its executives benefits of comparable value to those which applied to them at the Effective Time. Furthermore, those amongst the Transferred Employees who currently participate in the Alcan Pension Plan for Officers (the "APPO") shall see their respective service and earnings as officers of Alcan (or any other member of Alcan Group) recognized by Novelis and each relevant other member of Novelis Group, for purposes of the Novelis pension plan applicable to such Transferred Employees.

For greater certainty, in addition to Novelis's indemnification obligations set out in Section 9.02 of the Separation Agreement, Novelis shall indemnify and hold harmless, and shall cause the other members of Novelis Group, to solidarily indemnify and hold harmless Alcan and each other member of Alcan Group from and against any Liability relating to, arising out of or resulting from any claim, of any nature whatsoever, made by any Employee who refuses to be employed or to continue to be employed by Novelis or any relevant other member of Novelis Group or who alleges, once he has begun employment with Novelis or any relevant other member of Novelis Group, that Novelis or any relevant other member of Novelis Group did not maintain such terms and conditions of employment for a period of one year as stipulated in the first paragraph of this Section 7.1.

#### 7.2 CONTINUOUS SERVICE WITH ALCAN

Novelis and each relevant other member of Novelis Group shall recognize the respective service with Alcan (or any other member of Alcan Group) of all Transferred Employees, for all purposes except where it would result in duplicate benefits for the same period of service. With respect to Novelis Pension Plans, and except as otherwise dealt with in an Appendix, such service will not be counted for calculation of benefits, unless Novelis or any other relevant member of Novelis Group decides otherwise. Where applicable, Alcan shall recognize service with Novelis and any relevant other member of Novelis Group of all Transferred Employees for vesting and for eligibility requirements for all Alcan P.B. Plans.

#### 7.3 COLLECTIVE AGREEMENTS

Novelis or the relevant other member of Novelis Group shall be the successor employer of Alcan or any other member of Alcan Group under the Collective Agreements pursuant to the respective terms of such Collective Agreements and/or Applicable Law and, from and after the Effective Time, Novelis or any relevant other member of Novelis Group shall be bound by, and observe, and shall cause the other members of Novelis Group to observe, all the terms, conditions, rights and obligations under such Collective Agreements. Without limiting the generality of the foregoing, Novelis or the relevant other members of Novelis Group shall be the successor

- 8 -

employers with respect to any pending grievances, complaints or other litigation relating to Employees covered by such Collective Agreements.

#### 7.4 FORMER EMPLOYEES

Except as otherwise specifically dealt with in this Agreement or an Appendix, Novelis or the relevant other members of Novelis Group shall assume all Liabilities, including HR Liabilities, relating to the Former Employees.

7.5 NOVELIS RESPONSIBILITY FOR HR LIABILITIES

As of the Effective Time, and except as otherwise specifically dealt with in this Agreement or an Appendix, Novelis shall be responsible for, and shall discharge, and shall cause the relevant other members of Novelis Group to discharge, all HR Liabilities, whether accrued prior to, on or after the Effective Time.

7.6 ALCAN RESPONSIBILITY FOR HR LIABILITIES

As of the Effective Time, and except as otherwise specifically dealt with in this Agreement or an Appendix, no member of Alcan Group shall be responsible for any HR Liabilities, whether accrued prior to, on or after the Effective Time.

7.7 SEVERANCE

Novelis shall pay, and shall cause the relevant other members of Novelis Group to pay, severance to the Transferred Employees whose employment is terminated by Novelis or any relevant other member of Novelis Group, on or before the first anniversary of the Effective Time, on terms no less favourable than the severance, if any, that would have been applicable to such Transferred Employees pursuant to the severance policies of Alcan Group or Applicable Law in effect at the Effective Time, assuming such Transferred Employees had remained employees of Alcan or any other member of Alcan Group, until such termination.

7.8 CHANGE OF CONTROL AGREEMENTS

As of the Effective Time, Novelis and each relevant other member of Novelis Group, shall assume, perform, discharge and fulfill all the obligations of Alcan set forth in the Change of Control Agreements listed in Appendix "14" attached to this Agreement.

8. EXPATRIATES

Each Expatriate shall receive from Novelis or the relevant other members of Novelis Group, a letter confirming the terms and conditions of employment applicable to such person. Without limiting the generality of the foregoing, such letter will provide details as to the pension plans and benefits which will apply to such Expatriate.

- 9 -

9. PENSION AND BENEFITS MATTERS

9.1 GENERAL RULE

Except as otherwise dealt with in this Agreement, an Appendix or the Transitional Services Agreement and subject to mandatory provisions of Applicable Law, all matters relating to pension and benefits of the Transferred Employees and Former Employees shall be governed by this Section 9. Novelis or the relevant other members of the Novelis Group shall assume all Liabilities relating to the benefits of the Transferred Employees and the Former Employees under the Alcan P.B. Plans as of the Effective Time.

9.2 PLANS CONTINUED OR ASSUMED BY NOVELIS

All Alcan P.B. Plans sponsored by a Separated Entity or a Separated Business or covering exclusively Employees or Former Employees shall be continued by or, as applicable, assigned to and assumed by Novelis or the relevant other members of the Novelis Group as of the Effective Time.

9.3 PUBLIC PLANS

Novelis or the relevant other members of Novelis Group shall be the successor employers in respect of the Employees and Former Employees in respect of any Alcan P.B. Plan that is a public or government sponsored plan as of the Effective Time.

9.4 NON-ASSUMED ALCAN P.B. PLANS

As of the later of the Effective Time or the day following the end of a period during which Transferred Employees and Former Employees have continued to be covered by a Non-Assumed Alcan P.B. Plan after the Effective Time pursuant to an Appendix or the Transitional Services Agreement (the "PARTICIPATION PERIOD"), Transferred Employees and Former Employees shall cease to actively participate in, accrue benefits under or be covered by, the Non-Assumed Alcan P.B. Plans and shall be treated as terminated employees or terminated members under those plans.

As of the later of the Effective Time or the day following the end of a Participation Period, Novelis or the relevant other members of Novelis Group shall establish pension and benefit plans that will provide the Transferred Employees and Former Employees with pension and benefits and on terms and

conditions that are in the aggregate substantially similar to those of the relevant Non-Assumed Alcan P.B. Plan in effect on the later of the Effective Time or the end of the Participation Period in question (the "NOVELIS P.B. PLANS"). However Novelis Group shall not be required to maintain substantially similar benefits beyond the first anniversary of the Effective Time.

#### 9.5 NON-ASSUMED ALCAN PENSION PLANS

Alcan and the relevant Non-Assumed Alcan Pension Plan shall remain responsible for the benefits accrued by the Transferred Employees and the Former Employees under each of the

- 10 -

Non-Assumed Alcan Pension Plans up to the Effective Time or such later time pursuant to an Appendix or the Transitional Services Agreement, unless and until such benefits are transferred to a Novelis Pension Plan pursuant to terms set out in an Appendix.

#### 9.6 NON-ASSUMED ALCAN GROUP BENEFIT PLANS

Novelis and the relevant other members of Novelis Group shall ensure that evidence of insurability or pre-existing conditions and eligibility periods in respect of the Novelis Group Benefit Plans are waived in respect of the Transferred Employees and Former Employees and shall honour any deductibles, co-payments, co-insurance or out-of-pocket expenses paid or incurred by such Transferred Employees and Former Employees, including with respect to their covered dependants, under the Non-Assumed Alcan Group Benefit Plans from the beginning of the current coverage period to the Effective Time, as though such amounts had been paid in accordance with the terms and conditions of the Novelis Group Benefit Plans.

Alcan shall retain responsibility under and subject to the terms of the Non-Assumed Alcan Group Benefit Plans, for death, dismemberment, medical and dental claims incurred prior to the Effective Time, and Novelis and the relevant other members of Novelis Group shall be responsible for death, dismemberment, medical and dental claims incurred after the Effective Time. For greater certainty, for the purposes hereof, a claim in connection with the foregoing shall be deemed to be incurred on the date hereinafter specified:

- - with respect to death or dismemberment claim: the date on which the event occurred; and
- - with respect to a medical or a dental claim: the date on which the services were provided or the supplies were purchased.

With respect to disability, salary continuance or other wage replacement benefit, Novelis and the relevant other members of Novelis Group shall be responsible for all payments to disabled Transferred Employees from and after the Effective Time except for those payments that remain covered by the insured portion of the Non-Assumed Alcan Group Benefit Plans or by a Non-Assumed Alcan Pension Plan.

#### 10. EMPLOYMENT-RELATED MATTERS

##### 10.1 TRANSFERRED EMPLOYEES' RECORDS

Subject to Applicable Law, Alcan shall deliver to Novelis or the relevant other members of Novelis Group, on or after the Effective Time, all documentation it has on file relating to each Transferred Employee and Former Employee, including, as applicable, any curriculum vitae, offer of employment and history of employment (positions held and salary progression), disciplinary measures and performance evaluations carried out by Alcan Group and received by such Transferred Employee. Alcan shall retain a copy of all such documentation relating to such Transferred Employees it is legally required to retain pursuant to Applicable Law.

- 11 -

##### 10.2 VACATION

Appendices "1" to "13" attached to this Agreement set forth, on a country-by-country basis, Alcan's estimate of the total amount of pay for all accrued and unused vacation days due and owing to the Transferred Employees of the relevant country up to the Effective Time. Novelis shall grant, and shall cause each relevant other member of Novelis Group to grant, each Transferred Employee paid time off in an amount equal to the accrued and unused vacation days for each such Transferred Employee as set forth in the relevant Appendix and which was used by Alcan in connection with the foregoing calculations. Alcan

shall, within sixty (60) days after the Effective Time or as soon as practicable thereafter, provide Novelis and each relevant other member of Novelis Group, upon request, with updated Appendices "1" to "13" prepared as at the Effective Time, confirming the accrued and unused vacation days.

#### 10.3 WORKERS' COMPENSATION

Novelis and each relevant other member of Novelis Group shall reimburse Alcan and each relevant other member of Alcan Group for any and all assessments, reassessments, charges, surcharges, fines, levies or penalties imposed upon Alcan or any other member of Alcan Group after the Effective Time, under any Applicable Workers' Compensation Law, to the extent that such assessments, reassessments, charges, surcharges, fines, levies or penalties relate to any Transferred Employee or any Former Employee.

#### 10.4 COOPERATION

After the date hereof, Alcan and Novelis shall co-operate, and shall cause the other members of their respective Group to co-operate, promptly and in good faith in implementing this Agreement.

Alcan and Novelis acknowledge that the employee matters relating to the transaction are complex and that there are situations that may not be dealt with specifically in this Agreement and agree that, should they occur, such situations shall be dealt with to the fullest extent possible in accordance with the general principles laid out in this Agreement and the Separation Agreement.

#### 11. ALCAN EQUITY COMPENSATION PLANS

##### 11.1 GENERAL PRINCIPLES

The Alcan Equity Compensation Plans are the following:

- o Alcan Executive Share Option Plan ("AESOP");
- o Total Shareholder Return Plan ("TSRP");
- o Stock Price Appreciation Unit - Suisse ("SPAU");

- 12 -

- o Deferred Stock Unit Plan ("DSUP");
- o Restricted Stock Unit ("RSU"); and
- o Employee Performance Award ("EPA").

Subject to the terms of the Plan of Arrangement, and save and except for those who, amongst the Transferred Employees, hold Pechiney options (with underlying Alcan options), all rights enjoyed by Transferred Employees in the Alcan Equity Compensation Plans shall be cancelled or forfeited, as applicable, as of the Effective Time.

As of the Effective Time, such Transferred Employees who were entitled to participate in the Alcan Equity Compensation Plans shall be entitled to receive Converted Options and other rights in accordance with the principles further described in Appendix "15".

The liabilities relating to the EPA earned by the Transferred Employees in year 2004 and to be paid in year 2005 shall be assumed by Novelis.

##### 11.2 FORMER EMPLOYEES

For greater certainty, the general principles mentioned in Section 11.1 do not apply to Former Employees. Such Former Employees shall be entitled to exercise their rights in the Alcan Equity Compensation Plans in accordance with the terms thereof, with the exception of Novelis' Chief Financial Officer, Mr. Geoff Batt, who will also receive Converted Options in accordance with the principles set out in Appendix "15".

#### 12. TRANSITIONAL SERVICES

The Parties shall provide one another those Transitional Services relating to employment matters that are described in the Transitional Services Agreement.

#### 13. MISCELLANEOUS

##### 13.1 CONSTRUCTION

The terms of the Separation Agreement relating to construction or interpretation set forth in Section 16.04 of the Separation Agreement shall apply to this Agreement.

13.2 PAYMENT TERMS

Except as expressly provided in this Agreement, the terms of the Separation Agreement relating to payment terms set forth in Section 16.08 of the Separation Agreement shall apply to this Agreement.

- 13 -

13.3 NOTICES

All notices and other communications hereunder shall be given in conformity with Section 16.10 of the Separation Agreement.

13.4 GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, irrespective of conflict of laws principles under Quebec law, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

13.5 ENTIRE AGREEMENT

This Agreement, the Separation Agreement and exhibits, schedules and Appendices hereto and thereto and the specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

13.6 CONFLICTS

In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail. In case of any conflict or inconsistency between the terms and conditions of this Agreement and the terms of any Transition Service Schedule to the Transitional Services Agreement, the provisions of this Agreement shall prevail. In case of any conflict or inconsistency between the terms and conditions of this Agreement, and the term of any Appendix thereto, the provisions of the Appendix shall prevail.

13.7 SURVIVAL

Except as expressly set forth in the Separation Agreement, the covenants, representations and warranties contained in this Agreement, including those contained in Section 2 (Confidentiality) hereof, and liability for the breach of any obligation contained herein shall survive the expiration of this Agreement.

13.8 INDEMNIFICATION

Notwithstanding anything to the contrary in this Agreement, Novelis shall indemnify and hold Alcan and the relevant other members of Alcan Group harmless from and against all Liabilities in respect of claims resulting from the failure of any other member of Novelis Group to fulfill its obligations pursuant to this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

- 14 -

IN WITNESS WHEREOF, the Parties hereto have caused this Employee Matters Agreement to be executed by their duly authorized representatives.

ALCAN INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_

Name:  
Title:

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

AGREEMENT FOR  
ASSIGNMENT OF TRADEMARKS

THIS AGREEMENT is dated December \_\_\_\_\_, 2004 with effect as of Effective Date between:

\_\_\_\_\_, a \_\_\_\_\_ corporation ("Assignor")

AND

\_\_\_\_\_, a \_\_\_\_\_ ("Assignee")

- A. Assignor is the owner of the trademarks described on Exhibit A, attached hereto (the "Trademarks");
- B. Assignee is expected to become a Subsidiary of Novelis Inc. pursuant to the terms of a Separation Agreement between Alcan Inc. and Novelis Inc. ("Separation Agreement").
- C. Assignor wishes to assign the Trademarks to Assignee and Assignee wishes to accept such assignment.

THEREFORE, the parties agree as follows:

1. Effective Date

This Agreement shall be effective as of the date on which the Assignee becomes a subsidiary of Novelis Inc.

2. Assignment

In consideration for the obligations undertaken by Assignee under the Agreements to which it is a party and which are referenced in the Separation Agreement, Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Trademarks and all goodwill associated with the Trademarks.

3. Assignments

Assignor shall execute and deliver to Assignee assignments in the form reasonably prescribed by Assignee or applicable law to effect assignments of the registrations of the Trademarks. Each of the parties shall execute such further documents and perform such further acts as may be reasonably required or desirable to carry out such assignments.

4. Miscellaneous

a. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein. Each party irrevocably submits to the exclusive jurisdiction of the Courts of competent jurisdiction in such province for all purposes in connection with this Agreement.

b. INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement as of the day and year first above written.

ASSIGNOR:

ASSIGNEE:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

INTELLECTUAL PROPERTY AGREEMENT

BETWEEN

ALCAN INTERNATIONAL LIMITED

AND

NOVELIS INC.

1 January 2005

TABLE OF CONTENTS

1.0 PREAMBLE.....	1
2.0 DEFINITIONS.....	1
3.0 TRANSFER OF TECHNOLOGY.....	7
4.0 LICENSE RIGHTS GRANTED.....	10
5.0 EXCLUDED TECHNOLOGY.....	12
6.0 TERMINATION OF PARTICIPATION IN JTA.....	14
7.0 PROTECTION OF INFORMATION.....	15
8.0 TERM AND TERMINATION.....	16
9.0 SURVIVAL OF OBLIGATIONS.....	18
10.0 REPRESENTATIONS.....	18
11.0 DISCLAIMER.....	18
12.0 TRADEMARK, TRADE NAME AND LOGO.....	19
13.0 NON-WAIVER.....	20
14.0 NO PARTNERSHIP, JOINT VENTURE.....	20
15.0 FURTHER ASSURANCES, CONSENTS, ETC.....	20
16.0 NOTICES.....	20
17.0 ASSIGNMENT.....	21
18.0 INDEMNIFICATION.....	22
19.0 ENTIRE AGREEMENT, AMENDMENTS.....	24
20.0 DISPUTE RESOLUTION .....	24
21.0 MISCELLANEOUS.....	24



INTELLECTUAL PROPERTY AGREEMENT

This Intellectual Property Agreement is entered into with effect as of the Effective Date.

BETWEEN: Alcan International Limited, a Canadian corporation having its head office at 1188 Sherbrooke Street West, Montreal, Quebec, Canada (hereinafter referred to as "Alcanint")

AND: Novelis Inc., a Canadian corporation having its registered office at 1188 Sherbrooke Street West, Montreal, Quebec, Canada (hereinafter referred to as "NOVELIS") acting as principal and as agent for other members of Novelis Group, as herein provided.

WHEREAS, Alcanint is a wholly-owned subsidiary of Alcan; and

WHEREAS, Alcan Inc. and Novelis have entered into the Separation Agreement with effect as of the Effective Date, which provides, among other things, for the transfer of certain assets from Alcan to Novelis and the assumption by Novelis of certain liabilities in connection with the distribution of common shares of Novelis to Alcan shareholders and the execution and delivery of certain other agreements, including this Agreement; and

WHEREAS Alcanint owns and manages certain technology on behalf of and for the benefit of Alcan and its Affiliates and desires to transfer or license to Novelis certain rights in technology owned by it;

WHEREAS a further purpose of this Agreement is to achieve compliance with regulatory requirements in respect of the separation of certain aluminum rolling assets from Alcan in a manner which allows them to continue to be viable;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1.0 PREAMBLE

The preamble hereto shall be considered an integral part of this Agreement.

2.0 DEFINITIONS

- 2.1 "AEROSPACE INDUSTRY" shall mean the production of aircraft, spacecraft, satellites and similar craft for manned or unmanned flight;
2.2 "AFFILIATE" shall mean, with respect to any corporation, association or other business entity, any other entity directly or indirectly controlling, controlled by or under common control with such specified corporation, association or entity.

For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through the ownership of voting securities, by agreement or otherwise; provided, however, that beneficial ownership of 10% or more of the securities or other interest entitled to vote generally in the election of directors shall be deemed to be control;

- 2.3 "AGREEMENT" shall mean this Intellectual Property Agreement and all other documents that are made a part hereof;
2.4 "ALCAN" shall mean Alcan Inc., a Canadian corporation;
2.5 "ALCAN GROUP COMPANY" shall mean Alcan or any entity of which a majority of the total voting power of capital stock or other interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by Alcan;

- 2.5A "ARRANGEMENT" shall have the meaning ascribed to such term in the Separation Agreement;
- 2.6 "AUTOMOTIVE SHEET" shall mean aluminum Sheet products destined or intended for use in or principally related to the production of inner and outer body panels (including closures, skin, hoods, deckslids and fenders) and Sheet-based body-in-white structures for road vehicles;
- 2.7 "AUTOMOTIVE SHEET PATENTS" shall mean the patents and patent applications in respect of Automotive Sheet as listed in Appendix ASP;
- 2.8 "COCAST TECHNOLOGY" shall mean the Technology originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the casting of composite ingots with distinct regions having different alloy compositions as generally described in the patents and patent applications listed in Appendix CCT;
- 2.9 "DESIGNATED PATENTS" shall mean patents and patent applications owned by Alcanint and listed in Appendix DP;
- 2.10 "EFFECTIVE DATE" shall mean the Effective Date as defined in the Separation Agreement;
- 2.11 "EXCLUDED TECHNOLOGY" shall mean the Technology described in Section 5.1;

2

- 2.12 "FLEXCAST TECHNOLOGY" shall mean the Technology specific to continuous casting of a thin strip between two chilled metallic belts as generally described in the patents and patent applications listed in Appendix FCT;
- 2.13 "FLEXSTREME TECHNOLOGY" shall mean the Technology and equipment designs originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the horizontal direct chill casting of small diameter ingots suitable for use as forging stock as generally described in the patents and patent applications listed in Appendix FST;
- 2.14 "INSITU HOMOGENIZATION TECHNOLOGY" shall mean \*\*\*
- 2.15 "JOINT TECHNOLOGY AGREEMENTS" or "JTAS" shall mean the Agreements between Alcanint and various other Alcan Group Companies for joint research and technical assistance in the field of aluminum and other materials fabricating and/or aluminum reduction and/or the production of raw materials for the production of aluminum and/or manufacturing packaging using aluminum foil and other materials;
- 2.16 "LICENSED PATENTS" shall mean the patents and patent applications listed in Appendix LP;
- 2.17 "LICENSED EQUIPMENT PATENTS" shall mean the patents and patent applications listed in Appendix LEP;
- 2.18 "LICENSED TECHNOLOGY" shall mean any and all, copyrights, trade secrets, information, data, inventions, designs and similar rights that have been used or developed, or are being used or developed for use by Novelis or any Novelis Subsidiaries on or immediately before the Effective Date for or in connection with the use and exploitation of any one of the facilities that form part of Novelis as of the Effective Date that are related to the following:
- o Sheet ingot casting and metallurgy and associated melting, metal cleaning, molten metal delivery, quality measurement and environmental technologies;
  - o laminated products as pursued as of the Effective Date at the Ohle, Ludensheid, Berlin, Bridgnorth or Etobicoke foil operations of Alcan;

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3

- o Technology specific to the production of rolled Plate with a thickness of less than 12mm to the extent that such technology was in use immediately prior to the Effective Date at manufacturing facilities that will form a part of Novelis as of the Effective Date;
- o the Ouro Preto/Aratu/Petrocoque Technology;

Licensed Technology shall also include all Technology related to management systems and business processes including environment health and safety, value based management, continuous improvement, production scheduling and management and individual performance and career management and all business forms, contract forms, and other written and electronic business materials used by Novelis or a Novelis Subsidiary prior to the Effective Date subject in each case to Novelis obtaining at its sole cost any necessary consents, provided that all such Technology and materials have been modified as necessary to delete any reference to brand names, trademarks, service marks being retained by Alcan Group Companies.

- 2.19 "NETCAST TECHNOLOGY" shall mean the Technology originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the direct chill casting of complex shapes certain aspects of which are described in the patents and patent applications listed in Appendix NCT;

2.19A "NOVELIS GROUP" means Novelis and the Novelis Subsidiaries.

- 2.20 "NOVELIS SUBSIDIARY" shall mean, as of and from the Effective Date, (i) Petrocoque S.A. - Industria E Comercio, Aluminium Norf GmbH and Logan Aluminum Inc, in each case for so long as Novelis retains at least its current ownership stake in such entity and (ii) any other entity of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly by Novelis;

- 2.21 "OURO PRETO/ARATU/PETROCOQUE TECHNOLOGY" shall mean the Technology employed in the operations of any one or more of the facilities known as Ouro Preto, Aratu and Petrocoque as of the Effective Date. Ouro Preto is a bauxite mine, alumina refinery and aluminum smelter, Aratu is an aluminum smelter with an associated electricity generating facility; and Petrocoque is a facility that produces calcined petroleum coke;

2.21A "PECHINEY" means Pechiney, a wholly-owned subsidiary of Alcan, together with all entities that were subsidiaries of Pechiney when Pechiney became a subsidiary of Alcan, in December 2003.

- 2.22 "PAE TWIN ROLL CASTING TECHNOLOGY" shall mean Technology specific to the continuous casting of a relatively thin metal strip between two chilled rolls which is marketed by Pechiney Aluminium Engineering certain aspects of which are described in the patents and patent applications listed in Appendix TRCT;

- 2.23 "PAE METAL TREATMENT TECHNOLOGY" shall mean Technology specific to the melting, holding and casting of aluminum, treatments of molten aluminum to remove hydrogen, solid and liquid inclusions and alkali metal and related equipment namely IRMA, JetCleaner, Alpur, PDBF, CCF and Autopak which is marketed by Pechiney Aluminium Engineering as of the Effective Date, certain aspects of which are described in the patents and patent applications listed in Appendix MTT;

- 2.24 "PLATE" shall mean rolled and/or cast aluminum product with a thickness of greater than 6.5mm that is not intended for further rolling to a thickness of 6.5mm or less (reroll);

- 2.25 "ROLLED PRODUCTS" means rolled aluminum products in the form of Foil, Sheet and rolled Plate of a thickness of less than 12 mm;

- 2.26 "SECONDARY INTELLECTUAL PROPERTY AGREEMENT" shall mean that other Intellectual Property Agreement of even date herewith between Novelis as party of the first part and Alcanint as party of the second part;

- 2.27 "SEPARATION AGREEMENT" shall mean the Separation Agreement herewith between Alcan and Novelis, as described in the Preamble to this Agreement;

- 2.28 "SHEET" and "FOIL" shall have the same meaning as is commonly ascribed to those expressions in the aluminum industry in reference to rolled aluminum provided that it is of a thickness of 6.5mm or less;
- 2.29 "SOLATENS FACILITY" shall mean the facility in Spokane, Washington known as Solatens;
- 2.30 "TECHNOLOGY" shall mean any and all patents, patent applications, copyrights, trade secrets, information, data, inventions, designs, manufacturing processes, know-how, technical information, specifications, creative works and similar rights either conceived or first reduced to practice on or before the Effective Date that are owned, licensable or otherwise under the control and direction of Alcanint or any other Alcan Group Company before the Effective Date, including Novelis Subsidiaries;
- 2.31 "TRANSFERRED TECHNOLOGY" shall mean the Technology described in Section 3.1; and

5

- 2.32 "UNRESTRICTED LICENSED TECHNOLOGY" shall mean any and all, copyrights, trade secrets, information, data, inventions, designs and similar rights that have been used or developed, or are being used or developed for use in connection with research, development, production, marketing or sale of Rolled Products by Novelis or any Novelis Subsidiary on or immediately before the Effective Date or in connection with the use and exploitation of any of the facilities owned or operated by Novelis or a Novelis Subsidiary as of the Effective Date that are freely licensable by Alcanint or any Alcan Group Company and related to the following:
- o Recycling aluminum, scalping, homogenization and preheating technology, hot rolling, cold rolling, foil rolling, coiling, cooling and lubrication, continuous and batch heat treatment, quenching, mechanical finishing, slitting, cutting to length, laser blanking and all associated technologies (e.g. profile, gauge and shape measurement and control and pollution reduction and control);
  - o Mechanical finishing, surface texturing, chemical pre-treatment, painting, lacquering and curing technologies for Sheet and Foil;
  - o Metallurgy related to the properties and microstructural evolution through continuous casting, hot rolling, coiling, cooling, cold rolling, foil rolling, heat-treatment, quenching, mechanical finishing, and downstream finishing and fabrication processes for sheet, foil and sheet ingot applied internally or by customers for Sheet and Foil (e.g. forming, rolling, painting and lacquering, curing and etching of Sheet and Foil);
  - o Manufacture of rigid and semi-rigid aluminum foil containers and closures;
  - o Metal property and alloy composition specifications related to Rolled Products;
  - o In-service sheet and foil product performance in terms of mechanical property changes, corrosion (bare and surface treated Sheet) in final applications;
  - o All process simulation models, scheduling and productivity models and historic information to the extent recorded and relevant to the Licensed Technology, Unrestricted Licensed Technology or Transferred Technology;
  - o Enabling Technologies and know-how related to processes and application of aluminum Rolled Products materials used by customers (e.g. AVT automotive body-in-white assembly process,

6

- spot welding, adhesive bonding, riveting technologies, etching and finishing, structural simulation models pertinent to applications); and
- o Technology for the production of Foil to the extent it is

being used or has been used under existing or past practices at the former Pechiney Annecy, Rugles, Dudelange and Flemalle sites for the sole purpose of painting Sheet or producing circles from Sheet or producing Foil.

- o Technology specific to making and using the inventions claimed in the Designated Patents and the Automotive Sheet Patents;
- o All other Technology, other than Excluded Technology, that is in use or held for use as of the Effective Date in connection with the research, development, production, marketing or sale of Rolled Products at the facilities of Novelis and the Novelis Subsidiaries as of the Effective Date subject to Alcanint's right, upon reasonable request, to be informed as to the identity, scope and use of such other Technology;

2.33 In the event of any ambiguity as to the inclusion of a particular Technology within Excluded Technology, Licensed Technology, Transferred Technology, or Unrestricted Licensed Technology, such Technology still be allocated in the following order of preference: (1) Transferred Technology; (2) Excluded Technology; (3) Licensed Technology; and (4) Unrestricted Licensed Technology.

### 3.0 TRANSFER OF TECHNOLOGY

3.1 Alcanint hereby grants, conveys, transfers and assigns and agrees to deliver (and agrees to cause any appropriate Alcan Group Company to grant, convey, transfer, assign and agree to deliver) to Novelis, in its capacity as principal for the sole purpose of acquiring legal title therein, and in its capacity as agent for the relevant members of Novelis Group for the purpose of acquiring all beneficial ownership therein and for all other purposes, all right, title and interest, of whatever nature or kind throughout the world of Alcanint or any Alcan Group Company in and to the following:

3.1.1 the Designated Patents;

3.1.2 the Automotive Sheet Patents and related Technology which is only useful in the production of Automotive Sheet and which originated: (i) without use of or reference to Technology owned or developed by Pechiney, and (ii) within a business unit or manufacturing facility that will be owned by Novelis Group as of the Effective Date;

7

3.1.3 Technology that is only useful in the production of beverage can body Sheet, beverage can end Sheet and tab stock (for beverage cans) which originated: (i) without use of or reference to Technology owned or developed by Pechiney, and (ii) within any business unit or manufacturing facility that will form part of Novelis as of the Effective Date;

3.1.4 NetCast Technology, CoCast Technology, FlexStreme Technology and Insitu Homogenisation Technology;

3.1.5 PAE Twin Roll Casting Technology and FlexCast Technology, in both cases subject to Schedule FT;

3.1.6 PAE Metal Treatment Technology;

3.1.7 the right to grant licenses and rights under and with respect to any of the foregoing and to sue for any infringement occurring before or after the Effective Date as well as all statutory, contractual and other claims, demands and causes of action for royalties, fees or other income from, or infringement, misappropriation or violation of, any of the foregoing, and all of the proceeds from the foregoing that are accrued and unpaid as of, and/or accruing after, the Effective Date;

3.1.8 all causes of action and rights of recovery against third parties for past infringement in and to the Transferred Technology, and for past misappropriation by third parties of trade secrets in and to the Transferred Technology; and

3.1.9 the right to apply for and obtain statutory rights and registrations with respect to any of the foregoing Technology.

3.2 The foregoing transfer and assignment shall be subject to the licenses granted to Alcanint and other Alcan Group Companies pursuant to the Secondary Intellectual Property Agreement.

3.3 If and to the extent that, as a matter of law in any jurisdiction, ownership, title, or any rights of interest in or to any of the Transferred Technology cannot be assigned as provided in Section 3.1, (i) Alcanint agrees subject to the other terms and conditions of this Agreement to assign and transfer, and hereby assigns and transfers to Novelis (as agent for the relevant member of Novelis Group) all rights (including, without limitation, all economic and commercialization rights) that can be assigned pursuant to Section 3.1 to the fullest extent permissible; and (ii) Alcanint agrees subject to the other terms and conditions of this Agreement to grant, and hereby grants, Novelis (as agent for the relevant member of Novelis Group) an unlimited, exclusive, irrevocable, worldwide, perpetual, royalty-free license, to use, exploit and commercialize in any manner now known or in the future discovered and for

8

whatever purpose, any rights to Transferred Technology that cannot be assigned as contemplated by Section 3.1.

- 3.4 Alcanint further covenants that it will, without demanding any further consideration therefor, at the request and expense of Novelis (except for the value of the time of Alcanint employees), do (and cause Alcan Group Companies to do) all lawful and just acts that may be or become necessary for evidencing, maintaining, recording and perfecting Novelis' rights to such Transferred Technology consistent with Alcan's general business practice as of the Effective Date, including but not limited to, execution and acknowledgement of (and causing Alcan Group Companies to execute and acknowledge) assignments and other instruments in a form reasonably required by Novelis for each relevant jurisdiction.
- 3.5 Alcanint and each other Alcan Group Company shall retain any Technology not transferred to Novelis by virtue of the foregoing. Novelis warrants to Alcanint that neither it nor any Novelis Subsidiary owns any Technology (other than the Transferred Technology and only to the extent conveyed hereunder) as of the Effective Date and further acknowledges that any other Technology that it or any Novelis Subsidiary may be deemed to have owned prior to the Effective Date was intended to be owned by Alcanint and shall be deemed to have been held by Novelis or such Novelis Subsidiary for the benefit of Alcanint. This provision shall not apply to that Technology described in the final paragraph of Section 2.18.
- 3.6 Each of Alcanint and Novelis shall deliver to the other all documents and instruments necessary or appropriate to be duly executed where appropriate by the applicable party(ies) and notarized where indicated in the exhibits to this Agreement.
- 3.7 Novelis acknowledges and agrees that the foregoing assignment is subject to any and all licenses or other rights that may have been granted by Alcanint or any other Alcan Group Company with respect to the Transferred Technology prior to the Effective Date.
- 3.8 The determination regarding which Novelis Group company (sometimes referenced in this Agreement as the "relevant member of Novelis Group") shall be entitled to beneficial ownership of Transferred Technology or to a license of Licensed Patents, Unrestricted Licensed Technology or Licensed Technology shall be made having regard to the following factors:
- 3.8.1 whether the relevant member of Novelis Group was a party to any JTA while such entity was an Alcan Group Company;
- 3.8.2 whether the relevant member of Novelis Group reasonably requires the relevant beneficial ownership or license in connection with the ownership

9

or operation of one or more of its businesses on and after the Effective Date, based on the use of Technology in connection with such business prior to the Effective Date; and

- 3.8.3 such other factors as may reasonably be taken into account by Novelis and as are consistent with the provisions of this Agreement.
- 3.9 Novelis covenants that it will enter into such agreements with the relevant members of Novelis Group as may be necessary or desirable for the orderly management of the Technology mentioned in section

## 4.0 LICENSE RIGHTS GRANTED

4.1.1 Alcanint hereby grants to Novelis and Novelis hereby accepts, as agent for the relevant members of Novelis Group and subject to the terms and conditions of this Agreement a royalty free license to use and commercialize the Licensed Patents, Unrestricted Licensed Technology and Licensed Technology to operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Novelis Group and to use and sell the products produced using the Licensed Patents, Unrestricted Licensed Technology and/or the Licensed Technology pursuant thereto world wide; provided that the royalty free license in respect of the Ouro Preto/Aratu/Petrocoque Technology shall be limited such that it may be used only at the same geographic sites.

4.1.2 Pursuant to the license granted under Section 4.1.1, Novelis shall be permitted to sublicense any Unrestricted Licensed Technology except to the extent the use of such Unrestricted Licensed Technology is covered by patents held by Alcanint or any other Alcan Group Company.

4.1.3 Novelis may grant sublicenses under the Licensed Patents and the Licensed Technology (i) to third parties (such as customers and vendors) to the extent necessary or appropriate to give commercial effect to the rights sought to be transferred, assigned or licensed hereunder and (ii) to Novelis Subsidiaries provided that any such sublicense may be made effective retroactively but not prior to the sublicensee's becoming a Novelis Subsidiary and any such sublicense shall terminate immediately upon such sublicensee no longer being a Novelis Subsidiary, except in a transaction that meets the conditions of Section 17.2.

4.2 All licenses granted to Novelis under this Agreement are personal, indivisible, royalty-free, non-exclusive, and non-transferable except as otherwise specifically provided herein, and shall be subject to all terms and conditions herein set forth and apply only to the extent herein specified and defined. The

non-exclusive licenses granted hereunder shall exist as long as this Agreement is effective in accordance with Article 8.0, provided, however that the non-exclusive licenses granted hereunder is subject to termination in accordance with Article 8.0.

4.2.1 Alcanint hereby grants to Novelis (and agrees to cause any appropriate Alcan Group Company to grant to Novelis) and Novelis hereby accepts, as agent for the relevant members of Novelis Group and subject to the terms and conditions to this Agreement (i) a royalty-free right and license to operate, maintain and repair equipment subject to the Licensed Equipment Patents that was acquired prior to the Effective Date and to use and sell the products produced therewith on a world-wide basis and (ii) a conditional royalty-free right and license to use the Licensed Equipment Patents to build, operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Licensee and to use and sell the products produced therewith on a world-wide basis.

4.2.2 To the extent that (i) Alcanint continues the commercial sale of equipment for implementing any Licensed Equipment Patent either directly or through a licensee and (ii) Alcanint or its licensee offers such equipment to Novelis for sale on terms and conditions (including royalties) at least as favourable to Novelis as the best of those offered to any third party during the previous 24 months or, if no such equipment has not been offered within the previous 24 months at market rates (such conditions (i) and (ii) being referred to herein as a "COMMERCIAL LICENSE"), then Novelis shall operate under the terms of such Commercial License rather than the licenses granted in clause (ii) herein which shall be deemed suspended until the occurrence of condition (i) or (ii) above. At any time thereafter, Novelis shall be entitled to operate under the license granted under clause (ii) or Section 4.2.1 as the case may be, with no further action required by either Alcanint or Novelis provided that Novelis shall provide reasonably prompt notice to Alcanint that Novelis is operating

under the license set forth in paragraph 4.2 (ii). The licenses provided for in clause (ii) of Section 4.2.1 shall not apply to any equipment purchased by Novelis prior to the date of such notice for implementing Licensed Equipment Patents to the extent that equipment has been acquired with a valid Commercial License. Such previously purchased equipment shall continue to be operated under the terms and conditions specified at the time such equipment was acquired by Novelis.

Except as otherwise specifically provided in this Agreement, Novelis is not granted and does not have the right to assign, sub-license or otherwise dispose of the Licensed Patents or Licensed Technology or any part thereof.

- 4.3 Except as otherwise specifically provided in this Agreement, Alcanint shall retain all right, title and interest in and to the Licensed Technology and

11

Licensed Patents including the right (but not the obligation) to file for, prosecute and maintain any applications, registrations or recordation thereof and to bring any action to enforce or otherwise seek to abate any infringement thereof.

- 4.4 Novelis shall have the right (to be exercised reasonably) from time to time to request additional information concerning the Transferred Technology, Licensed Technology, Unrestricted Licensed Technology and Licensed Patents. Alcanint shall, subject to the availability of appropriate personnel, supply the information so requested with the related cost and expense of doing so, if any, being for Novelis' account.

#### 5.0 EXCLUDED TECHNOLOGY

- 5.1 For the avoidance of doubt, all Technology that is not clearly identified as one of Licensed Patents, Licensed Equipment Patents, Licensed Technology, Unrestricted Licensed Technology or Transferred Technology shall not be transferred pursuant to Article 3.0 nor shall it be licensed pursuant to Article 4.0, all rights in such Technology shall be retained by Alcanint and such Technology shall be deemed "EXCLUDED TECHNOLOGY" and any license or right granted hereunder shall be specifically limited such that no right, license or permission to use Excluded Technology is granted. Without limitation and notwithstanding anything else contained herein, "Excluded Technology" specifically includes:

- o all Technology owned or licensable or controlled by Pechiney except for the following Technology to the extent such Technology is otherwise agreed to be transferred or licensed hereunder: (i) the PAE Twin Roll Casting Technology; (ii) the PAE Metal Treatment Technology; and (iii) other Technology to the extent that it is being used or has been used under the existing or past practice at the former Pechiney Annecy, Rugles, Dudelange and Flemalle sites for the sole purpose of painting Sheet or the production of circles from Sheet or the production of Foil;
- o all Technology specific to the production of bright Sheet, reflector Sheet and capacitor Foil to the extent that the rights thereto originated with the 2000 acquisition by Alcan of Alusuisse Group AG together with any subsequent improvements thereto made at the Singen facility;
- o all Technology related to the production and application of metal - non-metal bonded composites (e.g. Alucobond), structural composites, foamed plastics, balsa wood products, honeycomb-cored composites, non-aluminum core materials and roll bond Sheet and components made from roll bond except for any such Technology related to the production and application of laminates

12

typically used for roofs, walls, ceilings, automotive applications and caravans (e.g., FF2, FF2 Plus, FALZONALI and AluSilent) or anti-graffiti composite products (e.g., Aluclean) that are in use or held for use as of the Effective Date in connection with the research, development, production, marketing or sale such products at the facilities of Novelis and the Novelis Subsidiaries;



- o all Technology specific to the production and application of, diecastings, forgings, except forging stock, non-Rolled Products mass transport systems, non-Rolled Products automotive components and assemblies (e.g. auto bumper beams, crash management systems, side impact beams, cockpit carriers, and certain BIW sub-assemblies, chassis parts and engine cradles) except to the extent that any such Technologies are in use or held for use as of the Effective Date in connection with the research, development, production, marketing or sale of Rolled Products at the facilities of Novelis and the Novelis Subsidiaries;
  - o all Technology related to the mining of bauxite, the refining and production of alumina and alumina based chemicals other than the Ouro Preto/Aratu/Petrocoque Technology to the extent licensed under Section 4.1;
  - o all Technology related to the smelting, the operation of smelters, reduction and other processes and techniques relating to the production of molten aluminum metal from alumina or other ores, the generation and transmission of electricity and related technologies other than the Ouro Preto/Aratu/Petrocoque Technology to the extent licensed under Section 4.1;
  - o all Technology other than Technology related only to Foil that is specific to the manufacturing of any packaging related products made from or incorporating rigid plastics, flexible plastics, carton, steel, glass or paper but subject to the rights under Section 4.2.2(i) and except for any such Technology that was in use or in development for use in May 2004 in connection with, manufacturing activities conducted at the Ohle, Ludensheid, Berlin, Bridgnorth and Etobicoke facilities;
  - o all Technologies specific to the production of magnesium chloride and magnesium metal.
- 5.2 For the avoidance of doubt, the rights and licenses granted in Technology pursuant to Article 3.0 and licensed pursuant to Article 4.0, do not grant such rights and licenses to use any of Licensed Patents, Licensed Technology, Unrestricted Licensed Technology

13

or Transferred Technology in the following fields:

- o Plate, except to the extent that they relate to rolled Plate of a thickness of less than 12mm and except as otherwise specifically permitted in Appendix PE;
- o products destined or intended for use in the Aerospace Industry;
- o aluminum lithium alloys and Series 2000 and Series 7000 alloys;
- o production and application of aluminum extruded products and multi-material co-extrusions for all markets, including the casting of extrusion billet except to the extent that they relate to casting extrusion billet using FlexStream Technology and except that Novelis may continue to use such co-extrusion Technology that is being used in, has been used in or is being developed for use in the manufacturing activities conducted by Novelis at the Ludensheid facility to produce products for its existing markets (e.g. cable wrap and pipes);
- o production and application of continuous cast bar, rolled rod and products made therefrom including rod, strip, wire and cables; and
- o smooth wall containers adapted for the application of heat sealed lids and such lids, destined or intended for use in the packaging of pet food and coating and/or laminating strip used in their manufacture.

## 6.0 TERMINATION OF PARTICIPATION IN JTA

- 6.1 As of the Effective Date and provided that the Arrangement becomes effective, Novelis and all Novelis Subsidiaries will cease to be Participants in the JTAs as that term is defined in the JTAs. In consideration of the rights and licenses granted herein and other

good and valuable rights received pursuant to the Distribution and related Agreements, Novelis hereby grants and will cause each such Participant to grant to Alcanint all rights of such Participants in technology developed under the JTAs.

- 6.2 Alcanint on behalf of the Participants in the JTAs hereby releases Novelis and the Novelis Subsidiaries from all obligations under the JTAs as of the Effective Date, provided that Novelis and the Novelis Subsidiaries shall remain responsible for performance of all of their respective obligations under the JTA, up to and including the Effective Date; and provided further that any default in the performance of these obligations shall be deemed a default hereunder.

14

## 7.0 PROTECTION OF INFORMATION

- 7.1 Alcanint and Novelis hereby agree that the Licensed Technology made available to or produced or developed for the other party at any time and Excluded Technology that may be in the possession of Novelis (the "INFORMATION") is confidential information of Alcanint and shall not be disclosed to any third party except as may be expressly provided for herein and that Novelis shall have only such rights in the Information as are expressly provided herein.
- 7.2 The obligations of confidentiality and non-disclosure shall not apply to Information to the extent that said Information:
- 7.2.1 is in the public domain through no fault of Novelis, or lawfully is or becomes public knowledge through no breach of this Agreement;
- 7.2.2 was received from any third party on a non-confidential basis and did not originate from Alcanint or any Alcan Group Company; or
- 7.2.3 was disclosed by Novelis pursuant to legal process, governmental request or regulatory requirement; provided, however, that Novelis shall use all reasonable efforts to provide notice to Alcanint in order to afford Alcanint a reasonable opportunity to seek a protective order or an injunction.
- 7.3 Specific information shall not be deemed to be within the exceptions of Section 7.2 above merely because such specific information may be construed as being within broader, non-confidential information which is either in the public domain or the possession of the receiving party on the Effective Date, nor shall a combination of features which form confidential information be deemed to be non-confidential information merely because the individual features, without being combined, are non-confidential.
- 7.4 Novelis shall not use the Information received hereunder for any purpose other than that specified in this Agreement without first obtaining written consent from Alcanint.
- 7.5 Novelis may disclose the Information relating to Licensed Technology received hereunder to its officers, employees, contractors, suppliers, customers for Sheet and Foil, representatives and others to the extent necessary for the normal operation of its business. Novelis shall take reasonable precautions, consistent with past practices to preserve the value of the Information. Novelis shall advise the appropriate officers, employees, contractors, suppliers, customers, representatives and others to whom such information is supplied of the confidentiality obligation hereunder, and shall ensure that, where appropriate, they have agreed to comply with the provisions of this Article 7.0.

15

- 7.6 The obligations of confidentiality and non-disclosure with respect to specific Information received under this Agreement or otherwise shall expire ten years after the Effective Date of this Agreement.
- 7.7 The parties recognize that a breach of this Article 7.0 may give rise to irreparable injury to Alcanint that cannot be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach, Alcanint may be entitled to preliminary and permanent injunctive relief to prevent or enjoin a violation of this Article 7.0 and the unauthorized use or disclosure of any

confidential Information in addition to such other remedies as may be available for such breach or threatened breach, including the recovery of damages.

- 7.8 No provision of this Agreement shall be construed to require Alcanint to furnish any information (i) acquired from others on terms prohibiting or restricting disclosure by Alcanint, or (ii) the furnishing of which is in contravention of any law, regulation, or executive order of any government. Each party shall use its commercially reasonable efforts to avoid conditions that prevent the exchange of information under this Agreement.
- 7.9 Nothing in this Agreement shall preclude Novelis from using any information that is in the public domain at the time of its use of such information unless such information is in the public domain as a result of Novelis' breach of the confidentiality obligations under this Article 7.0.

#### 8.0 TERM AND TERMINATION

- 8.1 This Agreement shall be effective until and shall terminate on the \*\*\* anniversary of the Effective Date except for the restrictions in respect of Transferred Technology as reflected in Section 5.2 which shall be effective until and shall terminate on the \*\*\* anniversary of the Effective Date. Upon termination pursuant to this Section 8.1, each of the licenses granted hereunder shall be deemed a fully-paid, unrestricted, unconditional, perpetual license, with the right to grant unrestricted sublicenses subject only to any patents held by Alcanint or an Alcan Group Company and to any obligations to pay any royalties due to any third party from which the Technology was originally acquired or licensed. For clarity, the parties intend that upon termination of this agreement pursuant to this Section 8.1, Novelis shall have all of the rights of a nonexclusive owner of the Licensed Technology, Unrestricted Technology and Transferred Technology and have an unrestricted, unconditional right to use and license such Technology without notice or accounting to Alcanint or any Alcan Group Company.
- 8.2 Should there be a material default by Novelis in the performance of any of its obligations under this Agreement or under the Separation Agreement and such default is not cured within 30 days following written notification of such default

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

16

from Alcanint, this Agreement shall terminate on the date specified on such notice which shall not be less than 30 days following the date of such notice, unless Novelis cures such default before such specified termination date. This shall be referred to as early termination.

- 8.3 This Agreement shall terminate immediately upon the occurrence of any of the following:
- (a) the bankruptcy or insolvency of Novelis;
  - (b) the appointment of a receiver for Novelis' assets;
  - (c) the making by Novelis of a general assignment for the benefit of creditors; or
  - (d) the institution by Novelis of proceedings for a reorganization of Novelis under the Bankruptcy Act or similar legislation for the relief of debtors or the institution of involuntary proceedings by a party other than Novelis which are not terminated in 30 days.
- 8.4 All of the licenses of Licensed Technology shall terminate and this Agreement shall terminate (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of such termination by Alcan to Novelis pursuant to Section 14.03(b) of the Separation Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of such termination by Alcan to Novelis pursuant to Section 15.04 of the Separation Agreement. In the case of a termination of licenses of Licensed Technology granted to Novelis under this Agreement and termination of this Agreement pursuant to clause (1) or clause (2) hereof, such termination shall be effective immediately upon Alcan providing Novelis notice

pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement, as the case may be and Novelis shall cease all use of the Licensed Technology that is the subject of licenses terminated pursuant to this section (including any license granted by virtue of Section 3.3). This section shall not preclude Novelis from using any information that is in the public domain at the time of its use of such information unless such information is in the public domain as a result of Novelis' breach of the confidentiality obligations under Article 7.0.

- 8.5 This Agreement shall be terminated upon written notice from Alcanint in the event that (i) the Secondary Intellectual Property Agreement is at any time no longer in full force and effect (other than by virtue of a termination caused by the actions or inaction of Alcanint) or (ii) Novelis or any Novelis Subsidiary or any of their respective Affiliates asserts that the Secondary Intellectual Property Agreement is invalid, unenforceable or no longer in full force and

17

effect and does not withdraw such assertion within five business days following a request to do so from Alcanint.

- 8.6 Early termination pursuant to this Article 8.0 shall not prejudice Alcanint's rights to recover any amounts due at the time of such termination nor shall it prejudice any other remedy or cause of action or claim of Alcanint accrued or to accrue against Novelis on account of any such default by Novelis.
- 8.7 This Agreement may be terminated at the option of Novelis, upon receipt of written notice to Alcanint, at any time provided all payments owed hereunder have been remitted to Alcanint.
- 8.8 Upon early termination of this Agreement pursuant to this Article 8.0, all licenses of any Licensed Technology shall terminate and Novelis shall cease all use of the Licensed Technology. This section shall not preclude Novelis from using any information that is in the public domain at the time of its use of such information unless such information is in the public domain as a result of Novelis' breach of the confidentiality obligations under Article 7.0.
- 8.9 Notwithstanding the foregoing, Novelis may, after the date this Agreement is terminated pursuant to this Article 8.0 sell any product made before such termination, as if such product were sold prior to termination.

#### 9.0 SURVIVAL OF OBLIGATIONS

Except as otherwise provided in this agreement and unless otherwise agreed in writing by the parties, the rights and obligations of the parties under Articles 7.0, 10.0, 11.0, 12.0, 15.0, 16.0, 17.0, 18.0, 19.0, 21.0 and 22.0 shall survive the termination of this Agreement.

#### 10.0 REPRESENTATIONS; COVENANT

Each party hereto represents that it has full power and authority to enter into this Agreement and to perform all obligations hereunder. Novelis further represents that it has fully power and authority to act as agent for each member of Novelis Group for all purposes under this Agreement. Novelis covenants that it will cause each member of Novelis Group to act strictly in accordance with the provisions of this Agreement.

#### 11.0 DISCLAIMER

- 11.1 Novelis acknowledges and agrees that the foregoing assignments and licenses are made on an "as is" quitclaim basis and that neither Alcanint nor any Alcan Group Company is providing or is responsible to provide any representation or warranty of any nature or kind (whether express, implied, statutory, contractual or other in nature and whether relating to title enforceability, merchantability, fitness for purpose, non-infringement, absence of rights of third parties or

18

other) in respect of the Transferred Technology or, Licensed Technology or any use to be made thereof or any product to be produced therewith. Neither Alcanint nor any Alcan Group Company shall be liable to Novelis, or any other person, for any damage, injury or loss, including loss of use arising from any activities or

obligations under this Agreement; or for any direct or indirect, incidental, consequential special or punitive damages.

11.2 Nothing in this Agreement shall be construed as a warranty or representation that any product made, used, sold or otherwise disposed with the benefit of any rights or license granted pursuant to this Agreement is or will be free from infringement of patents of third parties.

11.3 Neither Alcan nor any other Alcan Group Company nor any of their current Affiliates shall have any infringement action or claim against Novelis or any of its current Affiliates in respect of Designated Patents, Licensed Patents or Technology to the extent of any use of same prior to the Effective Date. None of Novelis, any Novelis Subsidiary nor any of their Affiliates shall have any infringement action against any Alcan Group Company in respect of any past, use of Technology. Each party, on behalf of itself and its Subsidiaries and Affiliates, hereby releases the other party and its Affiliates and Subsidiaries, from, and agrees not to sue concerning, any and all claims for infringement in respect of any use of Technology prior to the Effective Date, whether based on contract, tort, statutory or other legal or equitable theory of recovery, which such party (or its Subsidiaries or Affiliates) has asserted or could have asserted against the other party (or its Subsidiaries or Affiliates). Promptly following the Effective Date, the relevant Alcan Group Company (or Affiliate) and Novelis (or Affiliate) shall promptly execute and deliver stipulations of dismissal with prejudice of any claims filed in respect of any such alleged infringement, in forms suitable for immediate filing in the relevant court.

11.4 Without limiting Section 11.1 hereof, in no event shall either party or any of their respective Affiliates be liable to the other party or its Affiliates for any special, consequential, indirect, incidental or punitive damages or lost profits, however caused and on any theory of liability (including negligence) arising in any way out of this Agreement, whether or not such party has been advised of the possibility of such damages.

#### 12.0 TRADEMARK, TRADE NAME AND LOGO

No right is conveyed under this Agreement for the use, either directly, indirectly, by implication or otherwise, of any trademark, trade name or logo owned by Alcanint or any Alcan Group Company. The parties will enter into a separate trademark license agreement if appropriate.

19

#### 13.0 NON-WAIVER

The failure of any party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement or to exercise any election herein contained, shall not be construed as a waiver for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election. No waiver of any breach or default of this Agreement shall be held to be a waiver for any subsequent breach.

#### 14.0 NO PARTNERSHIP, JOINT VENTURE

The parties to this Agreement agree and acknowledge that the Agreement does not create a partnership, joint venture or any other relationship between Alcanint and Novelis save the relationship specifically set out herein before and solely for the limited purposes herein.

#### 15.0 FURTHER ASSURANCES, CONSENTS, ETC.

The parties to this Agreement shall co-operate together using their respective commercially reasonable best efforts to take such further steps, including the execution and delivery of documentation and applications which are required for legal or regulatory purposes or to obtain the consents or approvals of third parties or necessary or advisable registrations. All fees and expenses related to registrations which are advisable or necessary shall be at the expense of the future owner of such registrations and all registrations will be the responsibility of such owner. Nothing contained in this Agreement shall be interpreted to oblige any party to do anything more than apply its commercially reasonable best efforts (without material expense to it) to obtain any consent, approval or registration which may be required to give full effect to the terms and conditions hereof. Similarly, no party shall be obliged to convey any rights or do any other thing which would cause it to be in breach of any legal or contractual obligation.

16.0 NOTICES

Any notice, consent or other instrument required or permitted to be given by one party to the other party hereunder shall be in writing and shall be delivered or sent by first class mail or telefax and shall be deemed received five days following prepaid mailing or the next business day when telefaxed to the other party with receipt confirmation at the addresses set forth below;

20

To Alcanint: Alcan International Limited  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada H3A 3G2  
  
Fax: (514) 848-8555  
Attention: Company Secretary

In all cases with copy (which shall not constitute notice) to:  
Alcan Inc.  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada H3A 3G2  
  
Fax: (514) 848-8555  
Attention: Company Secretary

To Novelis: Novelis Inc.  
Suite 3800  
Royal Bank Plaza, South Tower  
P. O. Box 84  
200 Bay Street  
Toronto, Ontario, Canada M5J 2Z4  
  
Fax: (416) 216-3930  
Attention: President

Either party may change the notice address by giving written notice to the other party. If sent by telefax, a confirming copy of such shall be sent by regular mail to the addressee.

17.0 ASSIGNMENT

- 17.1 This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any party hereto without the prior written consent of the others, and any attempt to assign any rights or obligations under this Agreement without such consent shall be null and void and deemed to be in breach hereof.
- 17.2 Notwithstanding the preceding Section 17.1, this Agreement may be assigned (i) by Alcanint to any Alcan Group Company, by Novelis to any Novelis Subsidiary and (ii) by either party in whole in connection with a merger or consolidation or the sale of all or substantially all of the assets of such Party, or (iii) by Novelis in part in connection with a sale or other divestiture of a Novelis Subsidiary, plant, or business unit whose field of activity is principally related to the portion of Novelis' business that makes actual use of the Technology licensed under this Agreement; provided, however, that such assignee must expressly agree in writing to be bound by the terms and conditions of this Agreement.

21

- 17.3 Nothing in this Article 17.0 shall operate to entitle any transfer, assignment or license to any entity which has any activities directly or through Affiliates of a type which would be contrary to Section 8.4. Any such transfer assignment, or license (actual or attempted) shall in all aspects be void ab initio and any attempted assignment in violation thereof shall be deemed to constitute a material default within the meaning of Section 8.2 hereunder.

18.0 INDEMNIFICATION

- 18.1 Novelis shall indemnify, defend and hold harmless Alcanint and all Alcan Group Companies and their respective directors and officers (the "ALCANINT INDEMNITEES") from and against any and all losses incurred or suffered by any of the Alcanint Indemnitees arising out of the use of any Transferred Technology or Licensed Technology by Novelis or any of its Affiliates or customers.
- 18.2 If any Alcanint Indemnitee determines that it is or may be entitled

to indemnification by any party (the "INDEMNIFYING PARTY"), under this Article 18.0, (other than in connection with an action subject to Section 18.3), the Indemnified Party shall deliver to the Indemnifying Party a written notice describing to the extent reasonably practicable, the basis for its claim for indemnification and the amount for which the Indemnified Party reasonably believes it is entitled to be indemnified. If the Indemnifying Party has not responded within 30 days after receipt of such notice, the Indemnified Party shall deliver a second notice to the Indemnifying Party within ten days of the expiration of the original 30 day period. Within 30 days after receipt of any second notice, the Indemnifying Party shall pay the Indemnified Party such amount in cash or other immediately available funds unless the Indemnifying Party objects to the claim for indemnification or the amount thereof.

- 18.3 Promptly following the earlier of (i) receipt of notice of the commencement of an action by a third party against or otherwise involving any indemnified party, or (ii) receipt of information from a third party alleging the existence of a claim against an Indemnified Party, in either case, with respect to which indemnification may be sought pursuant to this Agreement, (a "THIRD PARTY CLAIM"), the Indemnified Party shall give the Indemnifying Party written notice thereof. The failure of the Indemnified Party to give notice as provided in this Article 18.0 shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent that the Indemnifying Party is prejudiced by such failure to give notice. Within 30 days after receipt of such notice, the Indemnifying Party may (i) by giving written notice thereof to the Indemnified Party, acknowledge liability for such indemnification claim and at its option elect to assume the defence of such Third Party Claim at its sole cost and expense or (ii) object to the claim for indemnification set forth in the notice delivered by the Indemnified Party pursuant to the first sentence of this Section 18.3;

22

provided that if the Indemnifying Party does not within such 30 day period give the Indemnified Party written notice objecting to such indemnification claim and setting forth the grounds therefor, the Indemnified Party shall give the Indemnifying Party an additional notice of its claim for indemnification and if the Indemnifying Party does not give the Indemnified Party written notice objecting to such claim within ten days after receipt of such notice the Indemnifying Party shall be deemed to have acknowledged its liability for such indemnification claim. If the Indemnifying Party has elected to assume the defence of a Third Party Claim, (x) the defence shall be conducted by counsel retained by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party shall have the right to participate in such proceedings and to be represented by counsel of its own choosing at the Indemnified Party's sole cost and expense; and (y) the Indemnifying Party may settle or compromise the third Party claim without the prior written consent of the Indemnified Party so long as such settlement includes and unconditional release of the Indemnified Party from all claims that are the subject of such Third Party Claim provided the Indemnifying Party may not agree to any such settlement pursuant to which any remedy or relief, other than money damages for which the Indemnifying Party shall be responsible hereunder, shall be applied to or against the Indemnified Party, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld. If the Indemnifying Party does not assume the defence of a Third Party Claim for which it has acknowledged liability for indemnification hereunder, the Indemnified Party may require the Indemnifying Party to reimburse it on a current basis for its reasonable expenses of defending against such Third Party Claim and the Indemnifying party shall be bound by the result obtained with respect thereto by the Indemnified Party; provided that the Indemnifying Party shall not be liable for any settlement effected without its consent, which consent shall not be unreasonably withheld. The Indemnifying Party shall pay to the Indemnified Party in cash the amount, if any, for which the Indemnified Party is entitled to be indemnified hereunder within 15 days after such Third Party Claim has been finally determined, or in the case of an indemnity claim as to which the Indemnifying Party has not acknowledged liability, within 15 days after such Indemnifying Party's objection to liability hereunder has been finally determined.

- 18.4 If for any reason the indemnification provided for in Section 18.1 is unavailable to an Indemnified Party, or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount

paid or payable to such Indemnified Party as a result of such losses in such proportion as is appropriate to reflect all relevant equitable considerations.

- 18.5 The remedies provided for in this Article 18.0 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity.

23

#### 19.0 ENTIRE AGREEMENT, AMENDMENTS

- 19.1 This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions whether oral or written of the parties, and there are no representations, warranties or conditions expressed or implied or otherwise between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment to the terms and conditions hereof or waiver in respect thereto shall be binding unless it is in writing and signed by duly authorized representatives of both parties.
- 19.2 Notwithstanding the foregoing, the rights and interests transferred, assigned or granted to Novelis or Novelis Subsidiaries or otherwise to be made available to them pursuant to the terms of this Agreement, shall in all respects be subject to the provisions of the Separation Agreement and nothing in this Agreement shall entitle Novelis or Novelis Subsidiaries to have any rights or pursue any activity which would otherwise be restricted by the Separation Agreement. The Separation Agreement shall not in defining the assets, businesses, rights and obligations to form part of Novelis, be interpreted so as to grant, convey or confirm, directly or indirectly, any rights on the part of Novelis in respect of Technology which would be greater than those established herein.

#### 20.0 DISPUTE RESOLUTION

The Master Agreement with Respect to Dispute Resolution, effective on the Effective Date, among Alcanint, Novelis and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of this Agreement) or the commercial or economic relationship of the Parties relating hereto or thereto.

#### 21.0 MISCELLANEOUS

- 21.1 The division of this Agreement into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.
- 21.2 The parties hereto have requested that this Agreement and all other documents, notices or written communications relating thereto, be in the English language.

24

- 21.3 The parties may amend this Agreement only by a written agreement signed by each party to be bound by the amendment and that identifies itself as an amendment to this Agreement.
- 21.4 Except as expressly stated to the contrary herein, the provisions of this Agreement are solely for the benefit of the parties and are not intended to confer upon any person except the parties any rights or remedies hereunder, and there are no third party beneficiaries of this Agreement, and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

#### 22.0 GOVERNING LAW

Recognizing the numerous jurisdictions associated with this Agreement and the activities contemplated by it, the parties agree that this Agreement shall be governed, construed and interpreted according to the laws of the Province of Quebec, Canada without the application of the provisions relating to the conflict of laws. Any provision in this Agreement



prohibited by law or by court decree shall be ineffective to the extent of such prohibition without in any way invalidating or affecting the remaining provisions of this Agreement, and this Agreement shall be construed as if such prohibited provision had never been contained herein. Alcanint and Novelis hereby agree, however, to negotiate an equitable amendment of this Agreement if a material provision is adversely affected.

IN WITNESS WHEREOF duly authorised representatives of the parties hereto have signed duplicate copies of this Agreement.

ALCAN INTERNATIONAL LIMITED

NOVELIS INC.

Per: .....

Per: .....

Per: .....

Per: .....

INTERVENTION

Alcan Inc. has intervened in this Agreement to acknowledge its terms and agree to be bound by and benefit from same.

ALCAN INC.

Per: .....

Per: .....

INTELLECTUAL PROPERTY AGREEMENT

BETWEEN

NOVELIS INC.

AND

ALCAN INTERNATIONAL LIMITED

1 January 2005

TABLE OF CONTENTS

1.0 PREAMBLE.....1

2.0 DEFINITIONS.....1

3.0 LICENSE RIGHTS GRANTED.....4

4.0 ROYALTY AND ROYALTY PAYMENT.....7

5.0 TECHNICAL ASSISTANCE.....7

6.0 PROTECTION OF INFORMATION.....7

7.0 TERM AND TERMINATION.....9

8.0 SURVIVAL OF OBLIGATIONS.....10

9.0 REPRESENTATIONS.....10

10.0 DISCLAIMER.....10

11.0 TRADEMARK, TRADE NAME AND LOGO.....11

12.0 NON-WAIVER.....11

13.0 NO PARTNERSHIP, JOINT VENTURE.....11

14.0 FURTHER ASSURANCES, CONSENTS, ETC. ....11

15.0 NOTICES.....11

16.0 ASSIGNMENT.....12

17.0 INDEMNIFICATION.....12

18.0 ENTIRE AGREEMENT, AMENDMENTS, ETC. ....14

19.0 DISPUTE RESOLUTION.....15

20.0 MISCELLANEOUS.....15

21.0 GOVERNING LAW.....15

INTELLECTUAL PROPERTY AGREEMENT

This Intellectual Property Agreement is entered into with effect as of the Effective Date.

BETWEEN: Novelis Inc. a Canadian corporation having its registered office at 1188 Sherbrooke Street West, Montreal, Quebec, Canada (hereinafter referred to as "NOVELIS") acting as principal and as agent for the other members of Novelis Group,

as herein provided.

AND: Alcan International Limited, a Canadian corporation having its head office at 1188 Sherbrooke Street West, Montreal, Quebec, Canada (hereinafter referred to as "ALCANINT")

WHEREAS, Alcanint is a wholly-owned subsidiary of Alcan Inc.; and

WHEREAS, Alcan Inc. and Novelis have entered into the Separation Agreement which provides, among other things, for the transfer of certain assets from Alcan to Novelis and the assumption by Novelis of certain liabilities in connection with the distribution of common shares of Novelis to the holders of the common shares of Alcan and the execution and delivery of certain other agreements including this Agreement; and

WHEREAS Alcanint has pursuant to the Principal Intellectual Property Agreement (as defined below) entered into, transferred and assigned ownership of certain Technology to Novelis and desires to retain certain rights in respect thereof;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1.0 PREAMBLE

The preamble hereto shall be considered an integral part of this Agreement.

2.0 DEFINITIONS

As used herein, the following terms shall have the following meanings:

- 2.1 "AEROSPACE INDUSTRY" shall mean the production of aircraft, spacecraft, satellites and similar craft for manned or unmanned flight;
- 2.2 "AFFILIATE" shall mean, with respect to any corporation, association or other business entity, any other entity directly or indirectly controlling, controlled by or under common control with such specified corporation, association or entity. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through the ownership of voting securities, by agreement or otherwise; provided, however, that beneficial ownership of 10% or
- 1
- more of the securities or other interest entitled to vote generally in the election of directors shall be deemed to be control;
- 2.3 "AGREEMENT" shall mean this Intellectual Property Agreement and all other documents that are made a part hereof;
- 2.4 "ALCAN" means Alcan Inc., a Canadian corporation;
- 2.5 "ALCAN GROUP COMPANY" shall mean Alcan or any entity of which a majority of the total voting power of capital stock or other interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof or at the time owned or controlled, directly or indirectly, by Alcan.
- 2.6 "AUTOMOTIVE SHEET" shall mean aluminum Sheet products destined or intended for use in or principally related to the production of body panels (including closures, skin, hoods, decks, lids and fenders) and Sheet-based body-in-white structures for road vehicles;
- 2.7 "AUTOMOTIVE SHEET PATENTS" shall mean the patents and patent applications in respect of Automotive Sheet as listed in Appendix ASP;
- 2.8 "COCAST TECHNOLOGY" shall mean the Technology originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the casting of composite ingots with distinct regions

having different alloy compositions as generally described in the patents and patent applications listed in Appendix CCT;

- 2.9 "EFFECTIVE DATE" shall mean the Effective Date as defined in the Separation Agreement;
- 2.10 "FLEXCAST TECHNOLOGY" shall mean the Technology specific to continuous casting of a thin strip between two chilled metallic belts and as generally described in the patents and patent applications listed in Appendix FCT;
- 2.11 "FLEXSTREME TECHNOLOGY" shall mean the Technology and equipment designs originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the horizontal direct chill casting of small diameter ingots suitable for use as forging stock as generally described in the patents and patent applications listed in Appendix FST;
- 2.12 "INSITU HOMOGENIZATION TECHNOLOGY" shall mean \*\*\*;
- 2.13 "LICENSED NOVELIS PATENTS" shall mean the patents and patent applications listed on Appendix LNP;

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

2

- 2.14 "LICENSED NOVELIS TECHNOLOGY" shall mean the technology licensed by Novelis to Licensee pursuant to Section 3.1. hereof;
- 2.15 "LICENSEE" shall mean Alcanint or any of its Affiliates as determined by the context or as otherwise designated for any particular purpose by Alcanint, provided that an Alcan Group Company other than Alcan or Alcanint shall be a Licensee under this Agreement only if such company agrees to be bound by the terms of this Agreement and provided further that Alcanint shall remain liable for license related obligations on a joint and several basis for any of its Affiliates as determined by the context or as otherwise designated for any particular purpose by Alcanint.
- 2.16 "NETCAST TECHNOLOGY" shall mean the Technology originally developed by Wagstaff Inc. and further developed by Alcan Group Companies, primarily at the Solatens Facility, related to the direct chill casting of complex shapes as more particularly described in the patents and patent applications listed in Appendix NCT;
- 2.17 "NOVELIS GROUP" shall mean Novelis and the Novelis subsidiaries.
- 2.18 "NOVELIS SUBSIDIARY" shall mean, as of and from the Effective Date, (i) Petrocoque S.A. -- Industria E Comercio, Aluminium Norf GmbH and Logan Aluminum Inc, in each case for so long as Novelis retains at least its current ownership stake in such entity and (ii) any other entity of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly by Novelis;
- 2.19 "NOVELIS TECHNOLOGY" shall mean any and all patents, patent applications, copyrights, trade secrets, information, data, inventions, designs and similar rights either conceived or first reduced to practice on or before the Effective Date that are owned or licensable by Novelis or under the control of Novelis pursuant to the Principal Intellectual Property Agreement and forming the subject matter hereof;
- 2.20 "PAE TWIN ROLL CASTING TECHNOLOGY" shall mean Technology specific to the continuous casting of a relatively thin metal strip between two chilled rolls which is marketed by Pechiney Aluminium Engineering as more particularly described in the patents and patent applications listed in Appendix TRCT;
- 2.21 "PAE METAL TREATMENT TECHNOLOGY" shall mean Technology specific to the melting, holding and casting of aluminum, treatments of molten aluminum to remove hydrogen, solid and liquid inclusions and alkali metal and related equipment including but not limited to IRMA, JetCleaner, Alpur, PDBF, CCF and Autopak which is marketed by Pechiney Aluminium

Engineering as more particularly described in the patents and patent applications listed in Appendix MTT.

2.22 "PRINCIPAL INTELLECTUAL PROPERTY AGREEMENT" shall mean that other Intellectual Property Agreement, of even date herewith, between Alcanint as the party of the first part and Novelis as the party of the second part;

3

2.23 "SEPARATION AGREEMENT" shall mean the Separation Agreement of even date herewith between Alcan and Novelis, as described in the Preamble of this Agreement;

2.24 "SHEET" and "FOIL" shall have the same meaning as is commonly ascribed to those expressions in the aluminum industry in reference to rolled aluminum provided that it is of a thickness of 6.5 mm or less;

2.25 "SIERRE TECHNOLOGY" shall mean the patents and patent applications listed on Appendix SP which are a subset of the Automotive Sheet Patents as well as the Technology used from time to time in connection with the operation of the business and manufacturing activities at the Sierre North Building;

2.26 "SIERRE NORTH BUILDING LEASE" shall mean the lease for the premises commonly referred to as the "SIERRE NORTH BUILDING" between an Alcan Group Company as lessor and Novelis or one of its Affiliates as lessee which lease is further referred to in, annexed to or defined in the Separation Agreement.

2.27 "SUBSIDIARY" shall mean, with respect to any corporation, association or other business entity, any other entity of which a majority of the total voting power of capital stock or other interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such corporation, association or entity or one or more of its other Subsidiaries; and

2.28 "TECHNICAL ASSISTANCE" shall mean the services rendered by Novelis, or a third party selected by Novelis, to the Licensee, to install, test and operate and maintain the Novelis Technology.

### 3.0 LICENSE RIGHTS GRANTED

3.1 Novelis hereby grants to Licensee and Licensee hereby accepts, subject to the terms and conditions of this Agreement, the following rights and licenses:

3.1.1 a royalty-bearing right and license to use the NetCast Technology to build, operate, maintain, repair, reconstruct, rebuild and expand present or future facilities of Licensee and to use and sell the products produced using the NetCast Technology on a world-wide basis,

3.1.2 a royalty-bearing right and license to use the CoCast Technology to build, operate, maintain, repair, reconstruct, rebuild and expand present or future facilities of Licensee and to use and sell the products using the CoCast Technology produced world-wide; provided, however, that Licensee shall have no right under this license to make or sell products using the CoCast Technology other than in respect of products destined for use in the Aerospace Industry;

3.1.3 a conditional royalty-bearing right and license to use the FlexStreme Technology to build, operate, maintain, repair, reconstruct, rebuild and expand present or future facilities of Licensee and to use and sell the

4

products produced using the FlexStreme Technology on a world-wide basis,

3.1.4 a royalty-free right and license to use the InSitu Homogenization Technology to build, operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Licensee and to use

and sell the products produced using InSitu Homogenization Technology on a world-wide basis,

- 3.1.5 a royalty-free right and license to use, commercialize and sublicense the PAE Metal Treatment Technology on a world-wide basis, including without limitation to build, operate, maintain, repair, rebuild and expand any present or future facilities of Licensee, to manufacture and sell products using the PAE Metal Treatment Technology and to assign, sublicense or otherwise convey to any person for any of the foregoing purposes,
  - 3.1.6 a royalty-free right and license to use and commercialize the Licensed Novelis Patents to build, operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Licensee and to use and sell the products produced using the Licensed Novelis Patents on a world-wide basis,
  - 3.1.7 A royalty-free right and license to use and commercialize the Automotive Sheet Patents and related Technology, as referred to in paragraph 3.1.2 of the Principal Intellectual Property Agreement, to build, operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Licensee and to use and sell the products produced using the Automotive Sheet Patents and said related Technology on a world-wide basis provided that Licensee's rights and Licenses in respect thereto shall not extend to permitting the use and commercialization of same for Automotive Sheet applications other than for products destined or intended for use in public or mass transportation,
  - 3.1.8 A conditional royalty-free right and license to use and commercialize the Sierre Technology to build, operate, maintain, repair, reconstruct, rebuild and expand any present or future facilities of Licensee and to use and sell the products produced using the Sierre Technology on a world-wide basis, and
  - 3.1.9 Rights and/or licenses in the FlexCast Technology and the PAE Twin Roll Casting Technology under the terms and conditions in Appendix CNC hereto.
- 3.2 To the extent that (i) Novelis continues the commercial sale of equipment for implementing the FlexStreme Technology and (ii) Novelis offers such equipment to Licensee for sale on terms and conditions (including royalties) at least as favourable to Licensee as the best of those offered to any third party during the preceding 12 months (such conditions (i) and (ii) being referred to herein as a "COMMERCIAL LICENSE"), then Licensee shall operate under the terms of such Commercial License rather than the licenses granted in paragraph 3.1.3 herein

5

until the occurrence of condition (i) or (ii) above. At any time thereafter, Licensee shall be entitled to operate under the license granted under paragraph 3.1.3, as the case may be, with no further action required by either Novelis or Licensee, provided that Licensee shall provide reasonably prompt notice to Novelis that Licensee is operating under the license set forth in paragraph 3.1.3. The licenses provided for in paragraphs 3.1.3 shall not apply to any equipment purchased by Licensee prior to the date of such notice for implementing FlexStreme Technology to the extent that equipment has been acquired with a valid Commercial License. Such previously purchased equipment shall continue to be operated under the terms and conditions specified at the time such equipment was acquired by Licensee.

- 3.3 The license granted in paragraph 3.1.8 shall be subject to the condition that it shall only take effect upon the termination or expiry of the Sierre North Building Lease provided such termination is not as the result of a default on the part of Alcan.
- 3.4 Except as otherwise provided for herein, all licenses granted to Licensee under this Agreement shall be personal, indivisible, non-exclusive, and non-transferable except as otherwise provided herein and shall be subject to all terms and conditions herein set forth. The licenses granted

hereunder shall exist as long as this Agreement is effective in accordance with Article 7.0, provided however that, the non-exclusive licenses granted hereunder are subject to termination in accordance with Article 7.0.

- 3.5 Except as otherwise specifically provided in this Agreement, Licensee is not granted and does not have the right to assign, sub-license or otherwise dispose of the Licensed Novelis Technology or any part thereof without the express written consent of Novelis.
- 3.6 Licensee may grant sublicenses (i) to third parties (such as customers and vendors) to the extent necessary or appropriate to give commercial effect to the rights sought to be licensed hereunder and (ii) to Alcan Group Companies provided that any such sublicense may be made effective retroactively but not prior to the sublicensee's becoming an Alcan Group Company and any such sublicense shall terminate immediately upon such sublicensee no longer being an Alcan Group Company, except in a transaction that meets the conditions of Section 16.2.
- 3.7 Except as otherwise specifically provided in this Agreement and subject to its obligations under the Separation Agreement and the Principal Intellectual Property Agreement, Novelis shall retain all right and title in and to the Licensed Novelis Technology (subject to any limitations inherent in the rights received pursuant to the Principal Intellectual Property Agreement) including without limitation:
- 3.7.1 All unencumbered rights of ownership in and to the Licensed Novelis Technology;
- 3.7.2 The right to use the Licensed Novelis Technology in connection with the marketing, offer, use, sale or other transfer of any product, or service; and
- 3.7.3 The right to license third parties to use the Licensed Novelis Technology;

6

3.7.4 The right (but not the obligation) to file for, prosecute and maintain any applications, registrations or recordation thereof and to bring any action to enforce or otherwise seek to abate any infringement thereof.

- 3.8 The Licensee shall have the right (to be exercised reasonably) to request, from time to time, additional information concerning the Licensed Novelis Technology and technology licensed to Novelis under the Principal Intellectual Property Agreement. Novelis shall, subject to the availability of appropriate personnel, supply the information so requested with the related cost and expense of doing so being, if any, being for the Licensee's account.
- 3.9 The reference to licenses in this Article 3.0 is intended to cover permission for use as may be required or contemplated by the Principal Intellectual Property Agreement in connection with rights and interests reserved to Alcanint or Alcan Group Companies thereunder. Nothing in this Agreement shall be interpreted so as to contradict any reservation of rights or interests provided for under the Principal Intellectual Property Agreement.

#### 4.0 ROYALTY AND ROYALTY PAYMENT

- 4.1 Royalty payments shall accrue and be payable, and reports and royalty payments shall be made as set forth on Schedule ROY.

#### 5.0 TECHNICAL ASSISTANCE

- 5.1 Alcanint shall have the right (to be exercised reasonably) from time to time to request additional information concerning the Licensed Novelis Technology. Novelis shall, subject to the availability of appropriate personnel, supply the information so requested with the related cost and expense of doing so, if any, being for Alcanint's account. Novelis will provide Alcanint and other Alcan Group Companies such technical consulting and assistance from qualified personnel as may from time to time be reasonably requested by Alcanint or such other Alcan Group Companies with respect to CoCast Technology and Insitu Homogenization Technology and shall be entitled to reasonable per diem fees to be agreed between the parties based on actual cost of providing such services; provided that

Novelis shall not be obligated to provide such assistance in excess of (i) \_\_\_\_ person-days in the aggregate or (ii) \_\_\_\_ person-days in any calendar month.

6.0 PROTECTION OF INFORMATION

- 6.1 Licensee hereby agrees that the Licensed Novelis Technology made available to or produced or developed for it at any time (the "INFORMATION") is confidential information of Novelis and shall not be disclosed to any third party except as may be expressly provided for herein and that Licensee shall have only such rights in the Information as expressly provided herein.
- 6.2 The obligations of confidentiality and non-disclosure shall not apply to Information to the extent that said Information:
- 6.2.1 is in the public domain through no fault of Licensee, or lawfully is or becomes public knowledge through no breach of this Agreement;
- 6.2.2 was received from any third party on a non-confidential basis and did not originate from Novelis or any of its Subsidiaries; or
- 6.2.3 was disclosed by Licensee pursuant to legal process, governmental request or regulatory requirement; provided, however, that the receiving party shall use all reasonable efforts to provide notice to the disclosing party in order to afford the disclosing party a reasonable opportunity to seek a protective order or an injunction.
- 6.3 Specific information shall not be deemed to be within the exceptions of Section 6.2 above merely because such specific information may be construed as being within broader, non-confidential information which is either in the public domain or the possession of the receiving party on the Effective Date nor shall a combination of features which form confidential information be deemed to be non-confidential information merely because the individual features, without being combined, are non-confidential.
- 6.4 Licensee shall not use the Information received hereunder for any purpose other than that specified in this Agreement without first obtaining written consent from Novelis.
- 6.5 Licensee may disclose the Information received hereunder to its officers, employees, contractors, suppliers, customers, representatives and others to the extent necessary for the normal operation of its business. Licensee shall take reasonable precautions, consistent with past practices, to preserve the value of the Information. Licensee shall advise the appropriate officers, employees, contractors, suppliers, customers, representatives and others to whom such information is supplied of the confidentiality obligation hereunder, and shall ensure that, where appropriate, they have agreed to comply with the provisions of this Article 6.0.
- 6.6 The obligations of confidentiality and non-disclosure with respect to specific Information received under this Agreement or otherwise shall expire ten years after the termination of this Agreement.
- 6.7 The parties recognise that a breach of this Article 6.0 may give rise to irreparable injury to Novelis that cannot be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach, Novelis may be entitled to preliminary and permanent injunctive relief to prevent or enjoin a violation of this Article 6.0 and the unauthorised use or disclosure of any confidential Information in addition to such other remedies as may be available for such breach or threatened breach, including the recovery of damages.
- 6.8 No provision of this Agreement shall be construed to require Novelis to furnish any information i) acquired from others on terms prohibiting or restricting disclosure by Novelis, or ii) the furnishing of which is in contravention of any law, regulation, or executive order of any government. Each party shall use its commercially reasonable efforts to avoid conditions that prevent the exchange of information under this Agreement.



6.9 Nothing in this Agreement shall preclude Licensee from using any information that is in the public domain at the time of its use of such information unless such

8

information is in the public domain as a result of Licensee's breach of the confidentiality obligations under this Article 6.0.

7.0 TERM AND TERMINATION

7.1 This Agreement shall be effective until and shall terminate on the \*\*\* anniversary of the Effective Date. Upon termination pursuant to this Section 7.1, each of the licenses granted hereunder shall be deemed a fully-paid, perpetual, unrestricted, unconditional license with the right to grant unrestricted sublicenses subject only to any obligation to pay any royalties due to any third party from which the Novelis Technology licensed hereunder was originally acquired. For clarity, the parties intend that upon termination of this agreement pursuant to this Section 7.1, Alcanint shall have all of the rights of a nonexclusive owner of the Novelis Licensed Technology excluding any patents included therein and have the right to use and license such Technology without notice or accounting to Novelis.

7.2 Should there be a material default by Licensee in the performance of any obligations under this Agreement or the Separation Agreement and such default is not cured within 30 days following written notification of such default from Novelis, this Agreement shall terminate on the date specified on such notice which shall not be less than 30 days following the date of such notice, unless Licensee cures such default before such specified termination date.

7.3 This Agreement shall terminate immediately upon the occurrence of any of the following:

- (a) the bankruptcy or insolvency of Licensee
- (b) the appointment of a receiver for Licensee's assets,
- (c) the making by Licensee of a general assignment for the benefit of creditors,
- (d) the institution by Licensee of proceedings for a reorganization of Licensee under the Bankruptcy Act or similar legislation for the relief of debtors or the institution of involuntary proceedings by a party other than Licensee which are not terminated in 30 days.

7.4 Early termination under Section 7.2 or Section 7.3 shall not prejudice Novelis' rights to recover any amounts due at the time of such termination nor shall it prejudice any other remedy or cause of action or claim of Novelis accrued or to accrue against Licensee on account of any such default by Licensee.

7.5 This Agreement may be terminated at the option of Licensee, upon receipt of written notice to Novelis, at any time provided all payments owed hereunder have been remitted to Novelis.

7.6 Upon early termination of this Agreement pursuant to this Article 7.0, all licenses of Licensed Novelis Technology shall terminate and Licensee shall cease all use of the Licensed Novelis Technology.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

9

7.7 Notwithstanding the foregoing, Licensee may, after the date this Agreement is terminated pursuant to this Article 7.0, sell any product made before such termination, as if such product were sold prior to termination.

8.0 SURVIVAL OF OBLIGATIONS

Except as otherwise provided in this agreement and unless otherwise

agreed in writing by the parties, the rights and obligations of the parties under Articles 6.0, 9.0, 10.0, 11.0, 14.0, 15.0, 16.0, 17.0, 18.0, 20.0 and 21.0 shall survive the termination of this Agreement.

9.0 REPRESENTATIONS; COVENANT

Each party hereto represents that it has full power and authority to enter into this Agreement and to perform all obligations hereunder. Novelis further represents that it has full power and authority to act as agent for each member of Novelis Group for all purposes under this Agreement. Novelis covenants that it will cause each member of Novelis Group to act strictly in accordance with the provisions of this Agreement.

10.0 DISCLAIMER

10.1 Licensee acknowledges that the foregoing licenses are made on an "as is" quit-claim basis and Novelis is neither providing nor is responsible for any representation or warranty of any nature or kind (whether express, implied, statutory, contractual or other in nature and whether relating to title, enforceability, merchantability, fitness for purpose, non-infringement, absence of rights of third parties or other) in respect of Licensed Novelis Technology or any use to be made thereof or any product to be produced therewith. Neither Novelis nor any Novelis Subsidiary shall be liable to Licensee, or any other person, for any damage, injury or loss, including loss of use arising from any activities or obligations under this Agreement; or for any direct or indirect, incidental, consequential special or punitive damages.

10.2 Nothing in this Agreement shall be construed as a warranty or representation that any product made, used, sold or otherwise disposed of under any license granted pursuant to this Agreement is or will be free from infringement of patents of third parties.

10.3 Neither Novelis nor any other of its Subsidiaries or current Affiliates shall have any infringement action or claim against Alcan or any of its current Affiliates in respect of Novelis Technology to the extent of any use of same prior to the Effective Date. None of Novelis, any Novelis Subsidiary nor any of their Affiliates shall have any infringement action against any Alcan Group Company in respect of any past use of Technology.

10.4 Without limiting Section 10.1 hereof, in no event shall either party or any of their respective Affiliates be liable to the other party or its Subsidiaries or other Affiliates for any special, consequential, indirect, incidental or punitive damages or lost profits, however caused and on any theory of liability (including negligence) arising in any way out of this Agreement, whether or not such party has been advised of the possibility of such damages.

10

11.0 TRADEMARK, TRADE NAME AND LOGO

No right is conveyed by either party to the other under this Agreement for the use, either directly, indirectly, by implication or otherwise, of any trademark, trade name or logo owned by Licensee or Novelis or any Alcan Group Company or Novelis Group Company. The parties will enter into a separate trademark license agreement, if appropriate.

12.0 NON-WAIVER

The failure of any party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement or to exercise any election herein contained, shall not be construed as a waiver for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election. No waiver of any breach or default of this Agreement shall be held to be a waiver for any subsequent breach.

13.0 NO PARTNERSHIP, JOINT VENTURE

The parties to this Agreement agree and acknowledge that the Agreement does not create a partnership, joint venture or any other relationship between Novelis and Licensee save the relationship specifically set out herein before and solely for the limited purposes herein.

14.0 FURTHER ASSURANCES, CONSENTS, ETC.

The parties to this Agreement shall co-operate together using their respective commercially reasonable best efforts to take such further steps, including the execution and delivery of documentation and applications which are required for legal or regulatory purposes or to obtain the consents or approvals of third parties or necessary or advisable registrations. All fees and expenses related to registrations which are advisable or necessary shall be at the expense of Novelis and all registrations shall be the responsibility of Novelis. Nothing contained in this Agreement shall be interpreted to oblige any party to do anything more than apply its commercially reasonable best efforts (without material expense to it) to obtain any consent, approval or registration which may be required to give full effect to the terms and conditions hereof. Similarly, no party shall be obliged to convey any rights or do any other thing which would cause it to be in breach of any legal or contractual obligation.

#### 15.0 NOTICES

Any notice, consent or other instrument required or permitted to be given by one party to the other party hereunder shall be in writing and shall be delivered or sent by first class mail or telefax and shall be deemed received five days following prepaid mailing or the next business day when telefaxed to the other party with receipt confirmation at the addresses set forth below;

To Novelis      Novelis Inc.  
Suite 3800  
Royal Bank Plaza, South Tower  
P. O. Box 84  
200 Bay Street  
Toronto, Ontario, Canada M5J 2Z4

11

Fax: (416) 216-3930  
Attention: President

To Licensee    Alcan International Limited  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada H3A 3G2

Fax: (514) 848-1535  
Attention: Company Secretary

In all cases with copy to:  
Alcan Inc.  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada H3A 3G2

Fax: (514) 848-8555  
Attention: Company Secretary

Either party may change the notice address by giving written notice to the other party. If sent by telefax, a confirming copy of such shall be sent by regular mail to the addressee.

#### 16.0 ASSIGNMENT

16.1 This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any party hereto without the prior written consent of the other party, and any attempt to assign any rights or obligations under this Agreement without such consent shall be null and void and deemed to be in breach hereof.

16.2 Notwithstanding the preceding Section 16.1, this Agreement may be assigned (i) by Alcanint to any Alcan Group Company and (ii) by either party in whole in connection with a merger or consolidation or the sale of all or substantially all of the assets of such party, or (iii) by Licensee in part in connection with a sale or other divestiture of a subsidiary, plant or business unit whose field of activity is principally related to the portion of Licensee's business that licenses and makes actual use of the Licensed Novelis Technology under this Agreement; provided, however, that such assignee must expressly agree in writing to be bound by the terms and conditions of this Agreement.

#### 17.0 INDEMNIFICATION

17.1 Licensee shall indemnify, defend and hold harmless Novelis and its Affiliates and their respective directors and officers (the "NOVELIS INDEMNITEES") from and against any and all losses incurred or suffered by any of the Novelis Indemnitees arising out of the use of any Licensed Novelis Technology by

Licensee or its customers.

- 17.2 If any Novelis Indemnatee determines that it is or may be entitled to indemnification by any party (the "INDEMNIFYING PARTY"), under this Article 17.0, (other than in connection with an action subject to Section 17.3), the Indemnified Party shall

12

deliver to the Indemnifying Party a written notice describing to the extent reasonably practicable, the basis for its claim for indemnification and the amount for which the Indemnified Party reasonably believes it is entitled to be indemnified. If the Indemnifying Party has not responded within 30 days after receipt of such notice, the Indemnified Party shall deliver a second notice to the Indemnifying Party within ten days of the expiration of the original 30 day period. Within 30 days after receipt of any second notice, the Indemnifying Party shall pay the Indemnified Party such amount in cash or other immediately available funds unless the Indemnifying Party objects to the claim for indemnification or the amount thereof.

- 17.3 Promptly following the earlier of (i) receipt of notice of the commencement of an action by a third party against or otherwise involving any indemnified party, or (ii) receipt of information from a third party alleging the existence of a claim against an Indemnified Party, in either case, with respect to which indemnification may be sought pursuant to this Agreement, (a "THIRD PARTY CLAIM"), the Indemnified Party shall give the Indemnifying Party written notice thereof. The failure of the Indemnified Party to give notice as provided in this Article 17.0 shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent that the Indemnifying Party is prejudiced by such failure to give notice. Within 30 days after receipt of such notice, the Indemnifying Party may (i) by giving written notice thereof to the Indemnified Party, acknowledge liability for such indemnification claim and at its option elect to assume the defence of such Third Party Claim at its sole cost and expense or (ii) object to the claim for indemnification set forth in the notice delivered by the Indemnified Party pursuant to the first sentence of this Section 17.3; provided that if the Indemnifying Party does not within such 30 day period give the Indemnified Party written notice objecting to such indemnification claim and setting forth the grounds therefor, the Indemnified Party shall give the Indemnifying Party an additional notice of its claim for indemnification and if the Indemnifying Party does not give the Indemnified Party written notice objecting to such claim within ten days after receipt of such notice the Indemnifying Party shall be deemed to have acknowledged its liability for such indemnification claim. If the Indemnifying Party has elected to assume the defence of a Third Party Claim, (x) the defence shall be conducted by counsel retained by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party shall have the right to participate in such proceedings and to be represented by counsel of its own choosing at the Indemnified Party's sole cost and expense; and (y) the Indemnifying Party may settle or compromise the third Party claim without the prior written consent of the Indemnified Party so long as such settlement includes and unconditional release of the Indemnified Party from all claims that are the subject of such Third Party Claim, provided the Indemnifying Party may not agree to any such settlement pursuant to which any remedy or relief, other than money damages for which the Indemnifying Party shall be responsible hereunder, shall be applied to or against the Indemnified Party, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld. If the Indemnifying Party does not assume the defence of a Third Party Claim for which it has acknowledged liability for indemnification hereunder, the Indemnified Party may require the Indemnifying Party to reimburse it on a current basis for its reasonable expenses of defending against such Third Party Claim and the Indemnifying party shall be bound by the result obtained with respect thereto by the Indemnified Party; provided that the

13

Indemnifying Party shall not be liable for any settlement effected without its consent, which consent shall not be unreasonably withheld. The Indemnifying Party shall pay to the Indemnified Party in cash the amount, if any, for which the

Indemnified Party is entitled to be indemnified hereunder within 15 days after such Third Party Claim has been finally determined, or in the case of an indemnity claim as to which the Indemnifying Party has not acknowledged liability, within 15 days after such Indemnifying Party's objection to liability hereunder has been finally determined.

- 17.4 If for any reason the indemnification provided for in Section 17.1 is unavailable to an Indemnified Party, or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount paid or payable to such Indemnified Party as a result of such losses in such proportion as is appropriate to reflect all relevant equitable considerations.
- 17.5 The remedies provided for in this Article 17.0 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity.

18.0 ENTIRE AGREEMENT, AMENDMENTS, ETC.

- 18.1 This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions whether oral or written of the parties, and there are no representations, warranties or conditions expressed or implied or otherwise between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment to the terms and conditions hereof or waiver in respect thereto shall be binding unless it is in writing and signed by duly authorized representatives of both parties.
- 18.2 Notwithstanding the foregoing, a breach by any party of its obligations under the Principal Intellectual Property Agreement shall be deemed to be a default under this Agreement
- 18.3 Nothing in this Agreement shall be interpreted so as to permit either party to do anything which would be prohibited by the Principal Intellectual Property Agreement. In the event of any conflict between this Agreement and the Principal Intellectual Property Agreement, the latter two shall be paramount.

14

19.0 DISPUTE RESOLUTION

THE MASTER AGREEMENT WITH RESPECT TO DISPUTE RESOLUTION, EFFECTIVE ON THE EFFECTIVE DATE, AMONG ALCANINT, NOVELIS AND OTHER PARTIES THERETO SHALL GOVERN ALL DISPUTES, CONTROVERSIES OR CLAIMS (WHETHER ARISING IN CONTRACT, DELICT, TORT OR OTHERWISE) BETWEEN THE PARTIES THAT MAY ARISE OUT OF, OR RELATE TO, OR ARISE UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING ALL ACTIONS TAKEN IN FURTHERANCE OF THIS AGREEMENT) OR THE COMMERCIAL OR ECONOMIC RELATIONSHIP OF THE PARTIES RELATING HERETO OR THERETO.

20.0 MISCELLANEOUS

- 20.1 The division of this Agreement into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.
- 20.2 The parties hereto have requested that this Agreement and all other documents, notices or written communications relating thereto, be in the English language.
- 20.3 The parties may amend this Agreement only by a written agreement signed by each party to be bound by the amendment and that identifies itself as an amendment to this Agreement.
- 20.4 Except as expressly stated to the contrary herein, the provisions of this Agreement are solely for the benefit of the parties and are not intended to confer upon any person except the parties any rights or remedies hereunder, and there are no third party beneficiaries of this Agreement, and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

21.0 GOVERNING LAW

Recognizing the numerous jurisdictions associated with this Agreement and the activities contemplated by it, the parties agree that this Agreement shall be governed, construed and interpreted according to the laws of the Province of Quebec, Canada without the application of the provisions relating to the conflict of laws. Any provision in this Agreement prohibited by law or by court decree shall be ineffective to the extent of such prohibition without in any way invalidating or affecting the remaining provisions of this Agreement, and this Agreement shall be construed as if such prohibited provision had never been contained herein. Novelis and Licensee hereby agree, however, to negotiate an equitable amendment of this Agreement if a material provision is adversely affected.

15

IN WITNESS WHEREOF duly authorised representatives of the parties hereto have signed duplicate copies of this Agreement.

NOVELIS INC.

ALCAN INTERNATIONAL LIMITED

Per: .....

Per: .....

Per: .....

Per: .....

16

TECHNICAL SERVICES AGREEMENT

between

NOVELIS INC.

and

ALCAN INTERNATIONAL LIMITED

WITH RESPECT TO THE RESEARCH & DEVELOPMENT FACILITIES  
LOCATED IN ARVIDA, QUEBEC (CANADA)  
AND IN KINGSTON, ONTARIO (CANADA)

DATED 0, 2004  
WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>  
<S> <C>

1. DEFINITIONS.....	1
2. SCOPE OF AGREEMENT.....	4
3. TECHNOLOGY.....	6
4. TECHNOLOGY AND TECHNICAL ASSISTANCE LIMITATIONS.....	6
5. OWNERSHIP AND RIGHT TO USE.....	7
6. CONSIDERATION.....	8
7. PROTECTION OF INFORMATION.....	11
8. TERM AND TERMINATION.....	12
9. SURVIVAL OF OBLIGATIONS.....	13
10. REPRESENTATIONS AND WARRANTIES.....	13
11. DISCLAIMER OF WARRANTY AND INDEMNITY.....	14
12. TRADEMARK, TRADE NAME AND LOGO.....	14
13. NON-WAIVER.....	14
14. NO PARTNERSHIP, JOINT VENTURE.....	14
15. FURTHER ASSURANCES.....	14
16. NOTICES.....	15
17. ASSIGNMENT.....	15
18. LIMITATION OF LIABILITY AND INDEMNIFICATION.....	16
19. ENTIRE AGREEMENT.....	17
20. CONFLICTS.....	17
21. DISPUTE RESOLUTION.....	17
22. FORCE MAJEURE.....	17
23. CONSTRUCTION.....	18
24. LANGUAGE.....	18
25. AMENDMENTS.....	18
26. GOVERNING LAW.....	18
27. SEVERABILITY.....	19
28. EXECUTION IN COUNTERPARTS.....	19
Schedule 6.1 Basic Fee, Daily Rates and Hourly Rates.....	

</TABLE>

TECHNICAL SERVICES AGREEMENT

THIS AGREEMENT is dated December 0, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS");

AND: ALCAN INTERNATIONAL LIMITED, a company organized under the laws of Canada ("ALCANINT").

RECITALS:

WHEREAS Alcan Inc. and Novelis have entered into a Separation Agreement pursuant to which the Parties (as defined hereinafter) set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein) such that the Separated Businesses are to be held, as at the Effective Time (as defined below), directly or indirectly, by Novelis (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS Alcanint develops, owns and manages certain technology on behalf of and for the benefit of Alcan Inc. and other members of Alcan Group (as defined below).

WHEREAS in connection with the Separation Agreement, Novelis and Alcan Inc. desire that Alcanint, a member of Alcan Group, provide Novelis, a member of Novelis Group (as defined below), with certain technical assistance and services following the Effective Date (as defined below) from Alcanint's research and development facility located in Arvida, Province of Quebec (Canada) ("ARVIDA FACILITY"), and that Novelis provide Alcanint with certain technical assistance and services following the Effective Date from Novelis's research and development facility located in Kingston, Province of Ontario (Canada) ("KINGSTON FACILITY"), subject to the terms and conditions of this Agreement.

WHEREAS Alcanint is willing and in a position to provide Novelis with such technical assistance and services, and Novelis is willing and in a position to provide Alcanint with such technical assistance and services, subject to the terms and conditions of this Agreement.

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, for and in consideration of the agreements set forth below, Novelis and Alcanint agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following words and expressions and variations thereof, unless another meaning is clearly required in the context, shall have the meanings specified or referred to in this Article 1:

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which

or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Technical Services Agreement, including all of the Schedules and Exhibits hereto.

"ALCAN GROUP" means Alcan Inc. and its Subsidiaries from time to time after the Effective Time.

"ALCANINT" means Alcan International Limited.

"ALCANINT INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"ALCANINT TECHNICAL ASSISTANCE SERVICES" has the meaning set forth in Section 2.1.

"APPLICABLE LAW" means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"ARVIDA FACILITY" has the meaning set out in the Preamble to this Agreement.

"BASIC FEE" has the meaning set forth in Section 6.1.

"BASIC RATES" or "BR" has the meaning set forth in Section 6.5.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.



"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada) or in the City of New York (United States), is a legal holiday or (ii) a day on which banks are authorized by Applicable Law to close in the City of Montreal (Canada) or in the City of New York (United States).

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"DAILY RATE" has the meaning set forth in subsection 6.2.1.

"DOLLARS" or "\$" means, except where otherwise expressly indicated, the lawful currency of Canada.

"EFFECTIVE DATE" means the date shown on the certificate of arrangement issued by the Director under the Canada Business Corporations Act giving effect to the Arrangement as defined in the Separation Agreement.

"EFFECTIVE TIME" means 12:01 a.m. Montreal time on the Effective Date.

-2-

"FORCE MAJEURE EVENT" has the meaning set forth in Article 22.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"GROUP" means Alcan Group or Novelis Group, as the context requires.

"HOURLY RATE" has the meaning set forth in subsection 6.2.1.

"INFORMATION" means, without being limitative, all Results and all data, documents and information relating to the Technology as well as to any Technical Assistance Service, improvement, know how, engineering, manufacturing and other techniques and procedures, including systems, plans, methods, processes and techniques of inspection, quality control and tests, made available to Alcanint or Novelis under this Agreement.

"KINGSTON FACILITY" has the meaning set out in the Preamble to this Agreement.

"LAB YEAR" means the services equating to one qualified technical person for one year spread reasonably evenly throughout the time period during which the Services are to be provided.

"LIABILITIES" has the meaning ascribed thereto in the Separation Agreement.

"LICENSE AGREEMENT" means the agreement entitled "IP Agreement between Alcan International Limited and Novelis Inc.", as amended, restated or modified from time to time, and constituting an Ancillary Agreement to the Separation Agreement.

"NOVELIS" means Novelis Inc.

"NOVELIS GROUP" means Novelis Inc. and its Subsidiaries from time to time after the Effective Time.

"NOVELIS INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"NOVELIS TECHNICAL ASSISTANCE SERVICES" has the meaning set forth in Section 2.2.

"PARTY" means each of Alcanint and Novelis as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"REIMBURSABLE COSTS" has the meaning set forth in Section 6.3.

"RESULTS" means data, reports and conclusions produced in the course of providing the Services.

-3-

"SALES TAXES" means any sales, use, consumption, goods and services, value added or similar tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SERVICES" means the Technical Assistance Services and other services provided by either Party to the other under this Agreement, including the Services on Request.

"SERVICE ON REQUEST" has the meaning set forth in Section 2.3.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which of a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person.

"TECHNICAL ASSISTANCE SERVICES" means individually or collectively, the Alcanint Technical Assistance Services and the Novelis Technical Assistance Services.

"TECHNOLOGY" means any and all patents, patent applications, trade secrets, inventions, designs and similar rights either conceived or first reduced to practice in the course of providing the Services hereunder, but excludes any and all Results.

"TERM" has the meaning set forth in Section 8.1.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member of Alcan Group or a member of Novelis Group and that is not an Affiliate of such Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

## 2. SCOPE OF AGREEMENT

Alcanint and Novelis will provide technical assistance and other services to the other consistent with their respective resources. The Parties shall mutually agree on the scope, timing and content of the services to be provided in each area identified to the extent not expressly provided herein. Such services are divided into the following main categories:

### 2.1 TECHNICAL ASSISTANCE SERVICES BY ALCANINT

The technical assistance services to be rendered by Alcanint or Alcan Group personnel under this Agreement (the "ALCANINT TECHNICAL ASSISTANCE SERVICES") will comprise six (6) Lab Years of effort per year for a period of twelve (12) months commencing on the Effective Date, with provision for extension of certain Alcanint Technical Assistance Services into a second year upon request of Novelis. The Alcanint Technical Assistance Services will consist of such services as the Parties mutually agree upon from time to time during the Term of this Agreement.

-4-

The Parties currently anticipate that the Alcanint Technical Assistance Services to be rendered by Alcanint to Novelis during the Term of this Agreement will include the following services:

- 2.1.1 analytical services including optical emission spectroscopy services;
- 2.1.2 services related to the melting and recycling of aluminum and its alloys;
- 2.1.3 services related to energy management, melting and refractories;
- 2.1.4 services related to casting and molten metal treatment;
- 2.1.5 metallography services; and
- 2.1.6 technical assistance related to customer and production issues.

## 2.2 TECHNICAL ASSISTANCE SERVICES BY NOVELIS

The technical assistance services to be rendered by Novelis or Novelis Group personnel under this Agreement (the "NOVELIS TECHNICAL ASSISTANCE SERVICES") will comprise two and one-half (2 1/2) Lab Years of effort per year and will consist of such services as the Parties will mutually agree upon from time to time during the Term of this Agreement.

The Parties currently anticipate that the Novelis Technical Assistance Services to be rendered by Novelis to Alcanint during the Term of this Agreement will include the following services:

- 2.2.1 access to and operation of key extrusion equipment and associated equipment while such equipment remains at Kingston Facility;
- 2.2.2 services related to the provision of metal for development orders associated with:
  - (a) the operation of the extrusion equipment while such equipment remains at Kingston Facility;
  - (b) DC casting of samples in support of Alcan Group's customers for a period of up to twelve (12) months from the Effective Date, with provision for extension into a second year upon request by Alcanint;
- 2.2.3 assistance in arranging the move of the extrusion and associated equipment from Kingston Facility to Arvida Facility, which move is planned to occur before the end of the third quarter of 2005;
- 2.2.4 training in the operation of the extrusion and associated equipment before and after the equipment has been moved from Kingston Facility to Arvida Facility;
- 2.2.5 materials characterization services, including but not limited to metallography, lubrication and lubricant testing, mechanical testing and corrosion testing related to Alcanint's cable, extrusion and foundry R&D programs; and
- 2.2.6 support for the separation of the Alcan Cable R&D program that will remain at the Kingston Facility, to be mutually agreed upon by the Parties.

-5-

The Novelis Technical Assistance Services described in subsections 2.2.1, 2.2.2, 2.2.3 and 2.2.4 are to be provided over the twelve (12) month period commencing on the Effective Date, except as otherwise specifically provided in subsection 2.2.2(b).

The Novelis Technical Assistance Services described in subsections 2.2.5 and 2.2.6 will be provided over the twelve (12) month period commencing on the Effective Date.

## 2.3 ADDITIONAL SERVICES TO BE PROVIDED UPON REQUEST

The Parties may from time to time during the Term of this Agreement, agree on additional services to be provided hereunder by one Party to the other ("SERVICES ON REQUEST"). The terms and conditions of Services on Request will be subject to a separate agreement between the Parties on a case-by-case basis but based on the fee structure described in this Agreement.

## 3. TECHNOLOGY

### 3.1 INFORMATION EXCHANGE

In connection with the planning, managing, providing and communicating the results of the Services, Alcanint and Novelis shall communicate and meet periodically as mutually agreed. The topics to be discussed shall be agreed before each meeting and recorded on an agenda. Actual discussion topics shall be recorded in minutes of the meeting. A written record of other communications shall also be retained.

3.2 REPORTING OF RESULTS

All Results generated in the course of providing the Services shall be promptly reported to the Party requesting the Services. These reports may be oral or written as specified by the Party requesting the Services. The preparation of such reports shall be considered part of the provision of the Services.

4. TECHNOLOGY AND TECHNICAL ASSISTANCE LIMITATIONS

4.1 Nothing herein limits in any way the rights and benefits granted to Alcanint and Novelis in the License Agreement.

-6-

4.2 Subject to Section 4.1 but notwithstanding anything contained elsewhere in this Agreement, Alcanint and Novelis shall be under no obligation to:

4.2.1 provide any Information, the disclosure of which is restricted due to contractual obligations; or

4.2.2 provide Information the transmission of which is prohibited by Applicable Law, protocol or directive of the Governmental Authority of the country from which it is to be provided.

4.3 The Parties agreement to provide each other the Technical Assistance Services set forth in Sections 2.1 and 2.2 is conditional upon the continued availability of the Parties' respective personnel identified for the provision of the Alcanint Technical Assistance Services and the Novelis Technical Assistance Services, as applicable. In the event that one or more individuals who was identified for performance of any portion of the Alcanint Technical Assistance Services or of the Novelis Technical Assistance Services, as applicable, becomes unavailable to continue to provide the Alcanint Technical Assistance Services or the Novelis Technical Assistance Services, as applicable, the Parties shall meet and discuss appropriate actions and each Party shall have the option to modify the description of the Alcanint Technical Assistance Services or the Novelis Technical Assistance Services, as applicable, and the corresponding obligation to pay for such services and to delete any portion of the Alcanint Technical Assistance Services or the Novelis Technical Assistance Services, as applicable, expected to have been performed by such person but not actually performed by such person.

5. OWNERSHIP AND RIGHT TO USE

5.1 The Party that requested Services performed under this Agreement shall receive and own all Results generated in the course of performing such Services, including any copyright therein.

5.2 Alcanint shall own all Technology created by its employees in the course of performing the Services for Novelis, and Alcanint hereby grants to Novelis and its Affiliates a non-exclusive, world-wide, non-transferable licence to use in perpetuity such Technology.

5.3 Novelis shall own all Technology created by its employees in the course of performing the Services for Alcanint, and Novelis hereby grants to Alcan and the other members of Alcan Group a non-exclusive, world-wide, non-transferable licence to use in perpetuity such Technology.

5.4 This Agreement does not restrict Novelis or Alcanint from obtaining technology from other sources as long as Information acquired from the other Party is not disclosed.

-7-

6. CONSIDERATION

In consideration for the Technical Assistance Services rendered by Alcanint and by Novelis under this Agreement, each of Novelis and Alcanint, as applicable, shall pay to the other, the following fees:

6.1 BASIC FEE

The basic fee ("BASIC FEE") for rendering one Lab Year of

Services under each of Sections 2.1 and 2.2 with respect to the year 2005 is set forth in Schedule 6.1. For the year(s) following 2005, the Basic Fee is subject to escalation as provided in Section 6.5. The Basic Fee for Services covers all fully absorbed costs related to the provision of Services and information including all salary and benefits for the persons providing the services, all overhead costs including rent, utilities, maintenance, management and corporate charges, and other similar charges. The Basic Fee does not include the cost of metal and equipment required for the performance of the Services, travel related costs and special project costs, which shall be in addition to the Basic Fee and shall be reimbursed at cost by one Party to the other, as applicable, separately from the Basic Fee.

## 6.2 FEE FOR SERVICES ON REQUEST

### 6.2.1 Work on Daily Rate Basis

Unless otherwise agreed by the Parties, time spent by specialists or personnel of either Party for the rendering of Services on Request, will be charged either on a daily rate or hourly rate basis at the applicable daily rate ("Daily Rate") and hourly rate ("Hourly Rate") set forth in Schedule 6.1, subject to the provisions of Section 6.5.

The Daily Rate is applicable to working time rendered during an 8 (eight) hour workday. Should working time be more than (or less than) 8 (eight) hours in one work day, the Daily Rate for that workday will be increased (or decreased) on a pro-rata basis.

The Basic Fee and Daily Rate are applicable to working time rendered during a normal five-day workweek. Any travel time associated with the rendering of Services on Request shall also be paid, as applicable, at the above Basic Fee or Daily Rate, as applicable. Travel time is only billable if it occurs during regular business hours. Travel time that occurs outside normal business hours is not chargeable to the other Party.

-8-

### 6.2.2 Fixed Price

For certain Services on Request, the Parties may, but shall have no obligation to, agree on a fixed price rather than on a price based on a Daily Rate.

## 6.3 REIMBURSABLE COSTS

For all the Services set forth in Sections 2.1, 2.2 and 2.3 rendered to Novelis or Alcanint inside or outside of Canada, metal and equipment acquisition costs, special project costs and travel related expenses reasonably incurred, such as air tickets, cost of car hires and other travelling expenses, transportation of personnel baggage, accommodation, meals including beverages, sundry items, laundry services, etc., are not included in the Basic Fee or Daily Rates and they shall be reimbursed at cost (the "REIMBURSABLE COSTS"). All travel related expenses shall be incurred and reimbursed in accordance with Alcan Inc.'s travel policy.

## 6.4 PAYMENT TERMS

Payments shall be made as follows:

### 6.4.1 Basic Fee

Each of Alcanint and Novelis will invoice the Basic Fee in four (4) equal installments on January 1, April 1, July 1 and October 1 of every year during the Term of this Agreement, with the payment due within thirty (30) days from the date of the invoice.

### 6.4.2 Services on Request and Reimbursable Costs

Each of Alcanint and Novelis will invoice the cost of Services on Request and the Reimbursable Costs on a monthly basis, with the respective payments due within thirty (30) days from the date of the invoice. All invoices will be against a purchase order and

will be supported, as applicable, by reasonably detailed reports and documentation about time spent and expenses incurred.

6.4.3 Taxes and Charges

All amounts payable hereunder shall be made in full and net of all Sales Taxes. Each Party shall pay all Sales Taxes applicable to Services performed for the benefit of such Party or to such Party's payments under this Agreement, and shall remit the amount of such Sales Taxes to the prescribed Person as required by Applicable Law. All invoices shall separately identify Sales Taxes payable in respect of the Services.

-9-

6.4.4 Payment Address

All amounts due under this Agreement shall be paid by electronic transfer to Alcan Inc.'s Royal Bank of Canada account number 000-003-4 located at 1 Place Ville Marie, Montreal, Quebec, Canada, with a confirmation of such transfer sent to the corporate Secretary of Alcanint, or to Novelis at Novelis' account indicated on Novelis' invoice, with a confirmation of such transfer sent to the corporate Secretary of Novelis, at the addresses provided in Article 16 or in such manner as Alcanint or Novelis may from time to time notify to the other Party.

6.5 ESCALATION

The Basic Fee and the Daily Rate (referred to in this Section 6.5 as "BASIC RATES" or "BR") are valid until December 31, 2005. For each of the years following 2005, the Basic Rates are subject to escalation as of the first day of January of each year beginning on January 1, 2006, as per the following formula:\*\*\*

The Canadian Consumer Price Index referred to is the index published monthly by Statistics Canada and which is referred to as being the Consumer Price Index and Major Components (Not Seasonally Adjusted), Canada, All-items.

6.6 SET-OFF

Unless otherwise agreed, neither Party shall be entitled to set-off against any amounts due to the other under this Agreement any amounts due to it from such other Party under this Agreement. The Parties may agree to consolidate all or any of their respective monthly invoicing under Article 6 and may further agree that the corresponding invoices will be discharged by set off, with the debtor of the larger invoice making payment of the net amount owing after deduction of the amount invoiced by such debtor to the other Party. Notwithstanding any such set off, any amount in respect of Sales Taxes required to be remitted by one Party to

\*\*\*Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-10-

the other Party pursuant to this Agreement shall be remitted in full as if no set-off had occurred.

7. PROTECTION OF INFORMATION

7.1 Each of Alcanint and Novelis hereby agree that the Information produced or developed for the other Party at any time is confidential information of the Party that requested that the Services be performed and shall not be disclosed to any Third Party except as may be expressly provided for herein and that the Party that generated the Information shall have only such rights in the Information as expressly provided herein.

7.2 The obligations of confidentiality and non-disclosure shall not apply to Information to the extent that said Information:

- 7.2.1 is in the public domain through no fault of the other Party, or lawfully is or becomes public knowledge through no breach of this Agreement; or
- 7.2.2 was received from any Third Party on a non-confidential basis,
- 7.2.3 was disclosed pursuant to legal process, governmental request, or regulatory requirement.
- 7.3 Specific information shall not be deemed to be within the exceptions of Section 7.2 merely because such specific information may be construed as being within broader, non-confidential information which is either in the public domain or in the possession of the receiving party on the Effective Date, nor shall a combination of features which form confidential information be deemed to be non-confidential information merely because the individual features, without being combined, are non-confidential.
- 7.4 The Party that performed the Services shall not use the Information produced hereunder for any other purpose other than that specified in this Agreement without first obtaining written consent from the other Party.
- 7.5 Each Party may disclose the Information it produces hereunder for the other Party to its own officers, employees, contractors, suppliers, customers, representatives and others to the extent necessary for the normal operation of its business. Each Party shall take reasonable precautions, consistent with past practices to preserve the value of the Information. Each Party shall advise the appropriate officers, employees, contractors, suppliers, customers, representatives and others to whom such Information is supplied of the confidentiality obligation hereunder, and shall ensure that, where appropriate, they have agreed to comply with the provisions of this Article 7.
- 7.6 The obligations of confidentiality with respect to specific Information received under this Agreement or otherwise shall expire on the tenth (10th) anniversary date of the Effective Date.

-11-

- 7.7 The Parties recognize that a breach of this Article 7 may give rise to irreparable injury that cannot be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach, the other Party may be entitled to preliminary and permanent injunctive relief to prevent or enjoin a violation of this Article 7 and the unauthorized use or disclosure of any confidential Information in addition to such other remedies as may be available for such breach or threatened breach, including the recovery of damages.
- 7.8 No provision of this Agreement shall be construed to require either Party to furnish any information (i) acquired from others on terms prohibiting or restricting disclosure, or (ii) the furnishing of which is in contravention of any Applicable Law or Governmental Authorization. Each Party shall use its commercially reasonable efforts to avoid conditions that prevent the exchange of information under this Agreement.

## 8. TERM AND TERMINATION

- 8.1 The term of this Agreement (the "TERM") shall be from the Effective Date until the date which is the \*\*\* year anniversary thereof, unless terminated earlier pursuant to the provisions of this Agreement or except as expressly otherwise provided in this Agreement. Upon expiry or earlier termination of this Agreement, each Party shall retain the licences granted under Sections 5.2 and 5.3, as applicable.
- 8.2 Should there be a default in the performance of any material obligation of the other Party under this Agreement and such default is not cured within thirty (30) days following written notification of such default from the aggrieved Party, the aggrieved Party's obligations shall terminate on the date specified on such notice which shall not be less than thirty (30) days following the date of such notice unless the default is cured before such specified termination date. Early termination shall not prejudice either Party's right to recover any amounts due at the time of such termination nor shall it prejudice any other remedy or cause of action or

claim accrued or to accrue jointly or severally on account of any such default.

- 8.3 This Agreement may be terminated by either Party by giving written notice to the other Party should any of the following events of default occur with respect to the other party:
- (a) the bankruptcy or insolvency of the other Party;
  - (b) the appointment of a receiver for the other Party's assets;
  - (c) the making by the other Party of a general assignment for the benefit of creditors;
  - (d) the institution by the other Party of proceedings for a reorganization under the Bankruptcy and Insolvency Act (Canada) or similar legislation for the

\*\*\*Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-12-

relief of debtors or the institution of involuntary proceedings against a Party which are not terminated in thirty (30) days;

- (e) Novelis, or in the case of Alcanint, Alcan Inc., breaches any representation or warranty, or fails to perform or comply with any covenant, provision, undertaking or obligation in or of the Separation Agreement.
- 8.4 In addition, this Agreement shall terminate (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis pursuant to Section 14.03(b) of the Separation Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective immediately upon Alcan Inc. providing Novelis notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement.
- 8.5 Subject to the provisions of Section 8.4, termination will take effect thirty (30) days after receipt of the notice without any further notice being given, unless the event of default is rectified or diligent efforts to rectify the event of default commence within the 30-day period.
- 8.6 Such right of termination shall not be exclusive of any other remedies or means of redress to which a Party may be entitled under Applicable Law.
- 8.7 This Agreement may be terminated at the option of either party on or after the first (1st) anniversary of the Effective Date, by providing notice to the other party at least six (6) months before the termination is to become effective, provided all payments owed under Article 6 have been remitted by the terminating Party to the other Party.

## 9. SURVIVAL OF OBLIGATIONS

Except as otherwise provided in this Agreement and unless otherwise agreed in writing by the Parties, the rights and obligations of the Parties under Sections 5.2 and 5.3 and under Articles 6, 7, 9, 10, 11, 14, 16, 18, 21 and 26 shall survive the expiration or earlier termination of this Agreement.

## 10. REPRESENTATIONS AND WARRANTIES

- 10.1 Each Party represents that it has full power and authority to enter into this Agreement and to perform all its obligations hereunder.



10.2 No representation or warranty of any nature or kind is given by either Party (whether express, implied, statutory, contractual or other in nature and whether relating to the enforceability, merchantability, fitness for purpose, non-infringement, absence of rights of Third Parties or other) in respect of the

-13-

Technology or other rights to be licensed or transferred by it pursuant to the terms of this Agreement.

10.3 Nothing in this Agreement shall be construed as a warranty or representation that the Services will produce any specific result or Technology or that any product made, used, sold or otherwise disposed with the benefit of any rights or license granted pursuant to this Agreement is or will be free from infringement of patents of Third Parties.

11. DISCLAIMER OF WARRANTY AND INDEMNITY

Except to the limited extent provided in Article 10, Alcanint expressly disclaims all and any liability or responsibility whatsoever for any Liability arising out of the use of the Technology or the provision of any Service. Alcanint and Novelis do not warrant that the transferred technology, licensed technology or services provided by Alcanint or Novelis, or that any product, is or will be of merchantable quality or fit for any particular purpose for which it may be bought or used. Alcanint and Novelis shall in no event be liable to the other, or any other Person, for any damage, injury or loss, including loss of use arising from any activities or obligations under this Agreement, or for any direct or indirect, incidental or consequential damages.

12. TRADEMARK, TRADE NAME AND LOGO

No right is conveyed by either Party to the other under this Agreement for the use, either directly, indirectly, by implication or otherwise, of any trademark, trade name or logo owned by Novelis or Alcanint or their respective Affiliates. The Parties will enter into a separate trademark license agreement if appropriate.

13. NON-WAIVER

The failure of any Party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement or to exercise any election herein contained, shall not be construed as a waiver for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election. No waiver of any breach or default of this Agreement shall be held to be a waiver for any subsequent breach.

14. NO PARTNERSHIP, JOINT VENTURE

The Parties to this Agreement agree and acknowledge that the Agreement does not create a partnership, joint venture or any other relationship between Alcanint and Novelis save the relationship specifically set out herein and solely for the limited purposes herein.

15. FURTHER ASSURANCES

The Parties to this Agreement shall sign or cause their respective employees to execute any documents necessary to file any desired registrations and applications to protect any Technology originating in the course of the Services and receive any patents, copyrights, design rights, mask works or other forms of legal protection resulting from such

-14-

applications and registrations in any selected countries and co-operate using their respective commercially reasonable efforts to obtain any necessary Consent of Third Parties. Nothing contained in this Agreement shall be interpreted to oblige any Party to do anything more than use its commercially reasonable efforts (without material expense to it) to obtain any Consent which may be required to give full effect to the terms and conditions hereof.

16. NOTICES

All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery, if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized

next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO ALCANINT, TO:

Alcan International Limited  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada  
H3A 3G2  
Fax: (514) 848-1535

Attention: Corporate Secretary

IF TO NOVELIS, TO:

Novelis Inc.  
Suite 3800  
Royal Bank Plaza, South Tower  
P.O. Box 84  
200 Bay Street  
Toronto, Ontario M5J 2Z4

Fax: (416) 216-3930

Attention: Chief Executive Officer

Any Party may, by notice to the other Party as set forth herein, change the address or fax number to which such notices are to be given.

17. ASSIGNMENT

This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party hereto without the prior written consent of the other, and any attempt to assign any rights or obligations under this Agreement without such consent shall be void and deemed to be in breach hereof.

-15-

18. LIMITATION OF LIABILITY AND INDEMNIFICATION

18.1 LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other Party for any special, consequential, indirect, collateral, incidental or punitive damages, lost profits, or failure to realize expected savings, or other commercial or economic loss of any kind, however caused and on any theory of liability, (including negligence) arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of any such damages; provided, however, that the foregoing limitations shall not limit either Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article IX of the Separation Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

18.2 INDEMNIFICATION

Alcanint shall indemnify, defend and hold harmless Novelis, each other member of Novelis Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "NOVELIS INDEMNIFIED PARTIES"), from and against any and all Liabilities of the Novelis Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (a) the breach or the failure of performance by Alcanint of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (b) the use of any Technology by any member of Novelis Group or its customers or the provision by Alcanint of any Service hereunder,

but subject however to the limitations of liability provided in Section 18.1.

Novelis shall indemnify, defend and hold harmless Alcanint, each other member of Alcan Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "ALCANINT INDEMNIFIED PARTIES"), from and against any and all Liabilities of the Alcanint Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (a) the breach or the failure of performance by Novelis of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (b) the use of any Technology by any member of Alcan Group or its customers or the provision by Novelis of any Service hereunder,

-16-

but subject however to the limitations of liability provided in Section 18.1.

#### 18.3 PROVISIONS APPLICABLE WITH RESPECT TO INDEMNIFICATION OBLIGATIONS

Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to indemnification or reimbursement pursuant to Article 18 of this Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

#### 19. ENTIRE AGREEMENT

This Agreement, the Separation Agreement and exhibits, schedules and appendices hereto and thereto and the specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

Notwithstanding the foregoing, the rights and interests transferred, assigned or granted to Novelis, its Affiliates and the other members of Novelis Group, or to Alcanint, its Affiliates and the other members of Alcan Group, or otherwise to be made available to them pursuant to the terms of this Agreement, shall in all respects be subject to the provisions of the Separation Agreement and nothing in this Agreement shall entitle Novelis or Alcanint to have any rights or pursue any activity which would otherwise be restricted by the Separation Agreement. The Separation Agreement shall not in defining the assets, businesses, rights and obligations to form part of Novelis, be interpreted so as to grant, convey or confirm, directly or indirectly, any rights in respect of Technology which would be greater than those established herein.

#### 20. CONFLICTS

In the event of any conflict between this Agreement and the Separation Agreement, the latter shall be paramount.

#### 21. DISPUTE RESOLUTION

The Master Agreement with Respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

#### 22. FORCE MAJEURE

No Party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement results from superior

-17-

force ("force majeure") or any act, occurrence or omission beyond its reasonable control and without its fault or negligence, such as fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities or, in the case of computer systems, any failure in electrical or air conditioning equipment (a "FORCE MAJEURE EVENT"). If a Force Majeure Event has occurred and its effects are continuing, then, upon notice by the Party who is delayed or prevented from performing its obligations to the other Party, (i) the affected provisions or other requirements of this Agreement shall be suspended to the extent necessary during the period of such disability, (ii) the Party which is delayed or prevented from performing its obligations by a Force Majeure Event shall have the right to apportion its Services in an equitable manner to all users and (iii) such Party shall have no liability to the other Party or any other Person in connection therewith. The Party which is delayed or prevented from performing its obligations by the Force Majeure Event shall resume full performance of this Agreement as soon as reasonably practicable following the cessation of the Force Majeure Event (or the consequences thereof).

23. CONSTRUCTION

The rules of construction and interpretation set forth in Section 16.04 of the Separation Agreement shall apply to this Agreement.

24. LANGUAGE

The Parties hereto have requested that this Agreement and all other documents, notices or written communications relating thereto, be in the English language.

25. AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

26. GOVERNING LAW

The Parties agree that this Agreement shall be governed, construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein. The terms of the United Nations (Vienna Convention) on Contracts for the International Sale of Goods shall not apply to this Agreement or the obligations of the Parties hereunder.

-18-

27. SEVERABILITY

If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

28. EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties hereto have caused this Technical Services Agreement to be executed by their duly authorized representatives.

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN INTERNATIONAL LIMITED

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

TECHNICAL SERVICES AGREEMENT

between

NOVELIS DO BRASIL LTDA.

and

ALCAN INTERNATIONAL LIMITED

WITH RESPECT TO THE TECHNICAL SERVICES TO THE  
ARATU, PETROCOQUE AND OURO PRETO FACILITIES  
LOCATED IN BRAZIL, SOUTH AMERICA

DATED 0, 2004  
WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>		
<CAPTION>		
<S>		<C>
1.	DEFINITIONS.....	2
2.	SCOPE OF AGREEMENT.....	5
3.	TECHNOLOGY.....	6
4.	TECHNICAL ASSISTANCE LIMITATIONS.....	6
5.	OWNERSHIP AND RIGHT TO USE.....	7
6.	CONSIDERATION.....	7
7.	PROTECTION OF INFORMATION.....	10
8.	TERM AND TERMINATION.....	11
9.	SURVIVAL OF OBLIGATIONS.....	12
10.	REPRESENTATIONS AND WARRANTIES.....	12
11.	DISCLAIMER OF WARRANTY AND INDEMNITY.....	13
12.	TRADEMARK, TRADE NAME AND LOGO.....	13
13.	NON-WAIVER.....	13

14.	NO PARTNERSHIP, JOINT VENTURE.....	13
15.	FURTHER ASSURANCES.....	13
16.	NOTICES.....	14
17.	ASSIGNMENT.....	14
18.	LIMITATION OF LIABILITY AND INDEMNIFICATION.....	14
19.	ENTIRE AGREEMENT.....	16
20.	CONFLICTS.....	16
21.	DISPUTE RESOLUTION.....	16
22.	FORCE MAJEURE.....	16
23.	CONSTRUCTION.....	17
24.	LANGUAGE.....	17
25.	AMENDMENTS.....	17
26.	GOVERNING LAW.....	17
27.	SEVERABILITY.....	17
28.	EXECUTION IN COUNTERPARTS.....	18
SCHEDULE 2.1.....		
</TABLE>		

TECHNICAL SERVICES AGREEMENT

THIS AGREEMENT is dated December 0, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS DO BRASIL LTDA., a Brazilian limited liability company  
incorporated under the laws of Brazil ("NOVELIS BRASIL");

AND: ALCAN INTERNATIONAL LIMITED., a company organized and existing under  
the laws of Canada ("ALCANINT").

RECITALS:

WHEREAS Alcan Inc. and Novelis Inc. have entered into a Separation Agreement pursuant to which the Parties (as defined hereinafter) set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein) such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis Inc. (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS Alcanint develops, owns and manages certain technology on behalf of and for the benefit of Alcan Inc. and other members of Alcan Group (as defined below).

WHEREAS in connection with the Separation Agreement, Novelis Inc. and Alcan Inc. desire that Alcanint, a member of Alcan Group, provide Novelis Brasil, a member of Novelis Group (as defined below), with certain technical assistance following the Effective Time, and that Novelis Brasil provide Alcanint with certain services following the Effective Time, subject to the terms and conditions of this Agreement.

WHEREAS Alcanint is willing and in a position to provide Novelis Brasil with such technical assistance, and Novelis Brasil is willing and in a position to provide Alcanint with such services, subject to the terms and conditions of this Agreement.

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, for and in consideration of the agreements set forth below, Novelis Brasil and Alcanint agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following words and expressions

and variations thereof, unless another meaning is clearly required in the context, shall have the meanings specified or referred to in this Article 1:

"ADDITIONAL PART I SERVICES" has the meaning set forth in Section 6.2.

"ADDITIONAL PART II SERVICES" has the meaning set forth in Section 6.2.

- 3 -

"ADDITIONAL PART I SERVICES FEE" has the meaning set forth in Section 6.2.

"ADDITIONAL PART II SERVICES FEE" has the meaning set forth in Section 6.2.

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Technical Services Agreement, including all of the Schedules and Exhibits hereto.

"ALCAN GROUP" means Alcan Inc. and its Subsidiaries from time to time after the Effective Time.

"APPLICABLE LAW" means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"ALCANINT" means Alcan International Limited.

"ALCANINT INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"ALCANINT TECHNICAL ASSISTANCE SERVICES" has the meaning set forth in Section 2.1.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada), in the City of New York (United States) or in the City of Sao Paulo, Brazil, is a legal holiday or (ii) a day on which banks are authorized by Applicable Law to close in the City of Montreal (Canada), in the City of New York (United States) or in the City of Sao Paulo, Brazil.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"DOLLARS" or "\$" means the lawful currency of the United States of America.

"EFFECTIVE DATE" means the date shown on the certificate of arrangement issued by the Director under the Canada Business Corporations Act giving effect to the Arrangement as defined in the Separation Agreement.

"EFFECTIVE TIME" means 12:01 a.m. Montreal time on the Effective Date.

"FACILITIES" means the South American facilities located in Aratu, Petrocoque and Ouro Preto, in Brazil, South America.

- 4 -

"FORCE MAJEURE EVENT" has the meaning set forth in Article 22.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate,



franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"GROUP" means Alcan Group or Novelis Group, as the context requires.

"INFORMATION" means, without being limitative, all Results and all data, documents and information relating to the Technology as well as to any Alcanint Technical Assistance Service, improvement, know how, engineering, manufacturing and other techniques and procedures, including systems, plans, methods, processes and techniques of inspection, quality control and tests, made available to Alcanint or Novelis Brasil under this Agreement.

"LAB YEAR" means the services equating to one qualified technical person for one year spread reasonably evenly throughout the time period during which the Alcanint Technical Assistance Services are to be provided.

"LIABILITIES" has the meaning ascribed thereto in the Separation Agreement.

"LICENSE AGREEMENT" means the agreement entitled "IP Agreement between Alcan International Limited and Novelis Inc.", as amended, restated or modified from time to time, and constituting an Ancillary Agreement to the Separation Agreement.

"NOVELIS GROUP" means Novelis Inc. and its Subsidiaries from time to time after the Effective Time.

"NOVELIS INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"NOVELIS BRASIL" means Novelis Do Brasil Ltda.

"PART I SERVICES" has the meaning set forth in Section 6.1.

"PART II SERVICES" has the meaning set forth in Section 6.1.

"PART I SERVICES BASIC FEE" has the meaning set forth in Section 6.1.

"PART II SERVICES BASIC FEE" has the meaning set forth in Section 6.1.

"PARTY" means each of Alcanint and Novelis Brasil as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"REIMBURSABLE COSTS" has the meaning set forth in Section 6.3.

- 5 -

"RESULTS" means data, reports and conclusions produced in the course of providing the Alcanint Technical Assistance Services.

"SALES TAXES" means any fee, tax or commission of whatever nature, including any withholding, registration fee, remittance fee, notarial fee, stamp tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SERVICES" means the services provided by either Party to the other under this Agreement.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which of a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person.

"TECHNOLOGY" means any and all patents, patent applications, trade secrets, inventions, designs and similar rights either conceived or first reduced to practice in the course of providing the Alcanint Technical Assistance Services hereunder, but excludes any and all Results.

"TERM" has the meaning set forth in Section 8.1.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member of Alcan Group or a member of Novelis Group and that is not an Affiliate of any such Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

## 2. SCOPE OF AGREEMENT

Alcanint will provide technical assistance services and, as the case may be, other services to Novelis Brasil. The Parties shall mutually agree on the scope, timing and content of the services to be provided in each area identified to the extent not expressly provided herein. Such services are divided into the following main categories:

### 2.1 TECHNICAL ASSISTANCE SERVICES BY ALCANINT

The technical assistance services to be provided by Alcanint or other members of Alcan Group to Novelis Brasil during the Term of this Agreement (the "ALCANINT TECHNICAL ASSISTANCE SERVICES"), taking into account Alcanint's resources, will consist of such services as the Parties mutually agree from time to time during the Term of this Agreement.

The Parties currently anticipate that the Alcanint Technical Assistance Services to be rendered by Alcanint to Novelis Brasil during the Term of this Agreement are those services described in Part I and Part II of SCHEDULE 2.1.

- 6 -

## 3. TECHNOLOGY

### 3.1 INFORMATION EXCHANGE

In connection with the planning, managing, providing and communicating the results of the Alcanint Technical Assistance Services, Alcanint and Novelis Brasil shall communicate and meet periodically as mutually agreed. The topics to be discussed shall be agreed before each meeting and recorded on an agenda. Actual discussion topics shall be recorded in minutes of the meeting. A written record of other communications shall also be retained.

### 3.2 REPORTING OF RESULTS

All Results generated in the course of providing the Alcanint Technical Assistance Services shall be promptly reported to Novelis Brasil. These reports may be oral or written as specified by Novelis Brasil. The preparation of such reports shall be considered part of the provision of the Alcanint Technical Assistance Services.

## 4. TECHNICAL ASSISTANCE LIMITATIONS

4.1 Nothing herein limits in any way the rights and benefits granted to Alcanint and Novelis Brasil in the License Agreement.

4.2 Subject to Section 4.1 but notwithstanding anything contained elsewhere in this Agreement, Alcanint and Novelis Brasil shall be under no obligation to:

4.2.1 provide any Information, the disclosure of which is restricted due to contractual obligations; or

4.2.2 provide Information the transmission of which is prohibited by Applicable Law, protocol or directive of the Governmental Authority of the country from which it is to be provided.

4.3 The Parties agreement to have Alcanint provide to Novelis Brasil the Alcanint Technical Assistance Services described in Section 2.1 is conditional upon the continued availability of the personnel identified for the provision of such Alcanint Technical Assistance Services. In the event that one or more individuals who was identified for performance of any portion of the Alcanint Technical Assistance Services becomes unavailable to continue to provide the Alcanint Technical Assistance Services, the Parties shall meet and discuss appropriate actions and each Party shall have the option to modify the description of the Alcanint Technical Assistance Services and the corresponding obligation to pay for such

services and to delete any portion of the Alcanint Technical Assistance Services expected to have been performed by such person but not actually performed by such person.

- 7 -

5. OWNERSHIP AND RIGHT TO USE

- 5.1 Novelis Brasil shall receive and own all Results generated in the course of performing the Alcanint Technical Assistance Services, including any copyright therein.
- 5.2 This Agreement does not restrict Novelis Brasil or Alcanint from obtaining technology from other sources as long as Information acquired from the other Party is not disclosed.
- 5.3 Any equipment and supplies purchased pursuant to the Reimbursable Cost mechanism described in Section 6.3 and not actually consumed at the termination of this Agreement shall be the property of the Party that funded their purchase. The Parties shall cooperate in the packaging, shipment or other disposal of such equipment and supplies, provided, however, that all related costs shall be for the account of the Party that owns the equipment or supplies.

6. CONSIDERATION

In consideration for the Alcanint Technical Assistance Services rendered by Alcanint under this Agreement, Novelis Brasil shall pay to Alcanint the following fees:

6.1 BASIC FEE PAYABLE BY NOVELIS BRASIL

Novelis Brasil shall pay to Alcanint during the Term of this Agreement, the following amounts:

6.1.1 for the provisions of such Services which are described in Part I of SCHEDULE 2.1 (the "PART I SERVICES") an annual fee of \*\*\* (the "PART I SERVICES BASIC FEE"); and

6.1.2 for the provisions of such Services which are described in Part II of SCHEDULE 2.1 (the "PART II SERVICES") an annual fee of \*\*\* (the "PART II SERVICES BASIC FEE").

6.2 ADDITIONAL SERVICES AND ADDITIONAL FEES

In the event the charges for the Part I Services actually provided by Alcanint to Novelis Brasil during any calendar year of the Term of this Agreement exceed the charge for the Part I Services included in the Part I Services Basic Fee on a cumulative basis for such calendar year (the "ADDITIONAL PART I SERVICES"), then Novelis Brasil shall pay Alcanint for such Additional Part I Services at the rate of \*\*\* per person per day (the "ADDITIONAL PART I SERVICES FEE"). Additionally, in the event the charges for the Part II Services actually provided by Alcanint to Novelis Brasil during any calendar year of the Term of this Agreement exceed the charge for the Part II Services included in the Part II Services Basic Fee on a cumulative basis for such calendar year (the "ADDITIONAL PART II SERVICES"), then Novelis Brasil shall pay for such Additional Part II

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\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- 8 -

Services at the rate of \*\*\* per person per day (the "ADDITIONAL PART II SERVICES FEE").

The Parties shall attempt to manage (i) the level of the Part I Services to correspond to the Part I Services Basic Fee for such Services and (ii) the level of the Part II Services to correspond to the Part II Services Basic Fee for such Services.

No refund shall be payable or due to Novelis Brasil in the event Novelis Brasil does not request (i) Part I Services at

least equal to the Part I Services included in the Part I Services Basic Fee, or (ii) Part II Services at least equal to the Part II Services included in the Part II Services Basic Fee.

A mutually agreeable reduction in the Part I Services Basic Fee will be made in the event Alcanint does not perform Part I Services, as the case may be, in accordance with the levels of services agreed upon by the Parties with respect to the Part I Services and a mutually agreeable reduction in the Part II Services Basic Fee will be made in the event Alcanint does not perform Part II Services, as the case may be, in accordance with the levels of services agreed upon by the Parties with respect to the Part II Services.

### 6.3 REIMBURSABLE COSTS

With respect to all the Services rendered to Novelis Brasil inside or outside of Brazil, metal and equipment acquisition costs, special project costs and travel related expenses reasonably incurred, such as air tickets, cost of car hires and other travelling expenses, transportation of personnel baggage, accommodation, meals including beverages, sundry items, laundry services, etc., are not included in the Part I Services Basic Fee, the Part II Services Basic Fee or the daily rates set forth in Section 6.2 and they shall be reimbursed at cost (the "REIMBURSABLE COSTS"). All travel related expenses shall be incurred and reimbursed in accordance with Alcanint's travel policy.

### 6.4 PAYMENT TERMS

Payments shall be made as follows:

#### 6.4.1 Part I Services Basic Fee and Part II Services Basic Fee

Alcanint will invoice Novelis Brasil for: (i) one quarter (1/4) of the annual Part I Services Basic Fee and (ii) one quarter (1/4) of the annual Part II Services Basic Fee, at the beginning of each quarter during the Term of this Agreement, with the payment due within sixty (60) days from the date of the invoice, provided the Brazilian Central Bank's approval for the remittance to Alcanint of the sums payable hereunder by Novelis Brasil to Alcanint has been previously obtained by Novelis Brasil, provided that if such approval is not obtained within the said sixty-day period, then the payment shall be made by Novelis

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- 9 -

Brasil to Alcanint as soon as said approval from the Brazilian Central Bank is obtained by Novelis Brasil.

#### 6.4.2 Additional Fees

Alcanint will invoice the Additional Part I Services Fees and the Additional Part II Services Fees accrued per Section 6.2 to Novelis Brasil at the end of each quarter, if applicable, during the Term of this Agreement, with the payment due within sixty (60) days from the date of the invoice, provided the Brazilian Central Bank's approval for the remittance to Alcanint of the sums payable hereunder by Novelis Brasil to Alcanint has been previously obtained by Novelis Brasil, provided that if such approval is not obtained within the said sixty-day period, then the payment shall be made by Novelis Brasil to Alcanint as soon as said approval from the Brazilian Central Bank is obtained by Novelis Brasil.

#### 6.4.3 Reimbursable Costs

Alcanint will include in the invoices referred to in subsections 6.4.1 and 6.4.2 any applicable Reimbursable Cost. All invoices will be against a purchase order and will be supported, as applicable,

by reasonably detailed reports and documentation about time spent and expenses incurred.

6.4.4 Taxes and Charges

All amounts payable hereunder shall be made in full and net of all Sales Taxes. Each Party shall pay all Sales Taxes applicable to Services performed for the benefit of such Party or to such Party's payments under this Agreement, and shall remit the amount of such Sales Taxes to the prescribed Person as required by Applicable Law. All invoices shall separately identify Sales Taxes payable in respect of the Services.

6.4.5 Payment Address

All amounts due under this Agreement shall be paid to Alcanint by electronic transfer to Alcanint's account number specified by Alcanint to Novelis Brasil, with a confirmation of such transfer sent to the corporate Secretary of Alcanint at the address provided in Article 16 or in such manner as Alcanint may from time to time notify to Novelis Brasil.

6.5 SET-OFF

Unless otherwise agreed, neither Party shall be entitled to set-off against any amounts due to the other under this Agreement any amounts due to it from such other Party under this Agreement. Notwithstanding any set-off, any amount in

- 10 -

respect of Sales Taxes required to be remitted by one Party to the other Party pursuant to this Agreement shall be remitted in full as if no set-off had occurred.

7. PROTECTION OF INFORMATION

- 7.1 Each of Alcanint and Novelis Brasil hereby agree that the Information produced or developed for the other Party at any time is confidential information of the Party that requested that the Services be performed and shall not be disclosed to any Third Party except as may be expressly provided for herein and that the Party that generated the Information shall have only such rights in the Information as expressly provided herein.
- 7.2 The obligations of confidentiality and non-disclosure shall not apply to Information to the extent that said Information:
- 7.2.1 is in the public domain through no fault of the other Party, or lawfully is or becomes public knowledge through no breach of this Agreement; or
  - 7.2.2 was received from any Third Party on a non-confidential basis,
  - 7.2.3 was disclosed pursuant to legal process, governmental request, or regulatory requirement.
- 7.3 Specific information shall not be deemed to be within the exceptions of Section 7.2 merely because such specific information may be construed as being within broader, non-confidential information which is either in the public domain or in the possession of the receiving party on the Effective Date, nor shall a combination of features which form confidential information be deemed to be non-confidential information merely because the individual features, without being combined, are non-confidential.
- 7.4 The Party that performed the Services shall not use the Information produced hereunder for any other purpose other than that specified in this Agreement without first obtaining written consent from the other Party.
- 7.5 Each Party may disclose the Information it produces hereunder for the other Party to its own officers, employees, contractors, suppliers, customers, representatives and others to the extent necessary for the provision of Services under this Agreement. Each Party shall take reasonable precautions, consistent with past practices to preserve the value of the

Information. Each Party shall advise the appropriate officers, employees, contractors, suppliers, customers, representatives and others to whom such Information is supplied of the confidentiality obligation hereunder, and shall ensure that, where appropriate, they have agreed to comply with the provisions of this Article 7.

7.6 The obligations of confidentiality with respect to specific Information received under this Agreement or otherwise shall expire on the tenth (10th) anniversary date of the Effective Date.

- 11 -

7.7 The Parties recognize that a breach of this Article 7 may give rise to irreparable injury that cannot be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach, the other Party may be entitled to preliminary and permanent injunctive relief to prevent or enjoin a violation of this Article 7 and the unauthorized use or disclosure of any confidential Information in addition to such other remedies as may be available for such breach or threatened breach, including the recovery of damages.

7.8 No provision of this Agreement shall be construed to require either Party to furnish any information (i) acquired from others on terms prohibiting or restricting disclosure, or (ii) the furnishing of which is in contravention of any Applicable Law or Governmental Authorization. Each Party shall use its commercially reasonable efforts to avoid conditions that prevent the exchange of information under this Agreement.

#### 8. TERM AND TERMINATION

8.1 The term of this Agreement (the "TERM") shall be from the Effective Date until the date which is the \*\*\* year anniversary thereof, unless terminated earlier pursuant to the provisions of this Agreement or except as expressly otherwise provided in this Agreement.

8.2 Should there be a default in the performance of any material obligation of the other Party under this Agreement (or under the Separation Agreement) and such default is not cured within thirty (30) days following written notification of such default from the aggrieved Party, the aggrieved Party's obligations and this Agreement shall terminate on the date specified on such notice which shall not be less than thirty (30) days following the date of such notice unless the default is cured before such specified termination date. Early termination shall not prejudice either Party's right to recover any amounts due at the time of such termination nor shall it prejudice any other remedy or cause of action or claim accrued or to accrue jointly or severally on account of any such default.

8.3 This Agreement may be terminated by either Party by giving written notice to the other Party should any of the following events of default occur:

- (a) the bankruptcy or insolvency of the other Party;
- (b) the appointment of a receiver for the other Party's assets;
- (c) the making by the other Party of a general assignment for the benefit of creditors;
- (d) the institution by the other Party of proceedings for a reorganization under the Bankruptcy and Insolvency Act or similar legislation for the relief of debtors or the institution of involuntary proceedings against a Party which are not terminated in thirty (30) days;

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- 12 -

- (e) in the case of Novelis Brasil, Novelis Inc., or in

the case of Alcanint, Alcan Inc., breaches any representation or warranty, or fails to perform or comply with any covenant, provision, undertaking or obligation in or of the Separation Agreement.

8.4 In addition, this Agreement shall terminate (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis Inc. pursuant to Section 14.03(b) of the Separation Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis Inc. pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective immediately upon Alcan Inc. providing Novelis Inc. notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement.

8.5 Subject to the provisions of Section 8.4, termination will take effect thirty (30) days after receipt of the notice without any further notice being given, unless the event of default is rectified or diligent efforts to rectify the event of default commence within the 30-day period.

8.6 Such right of termination shall not be exclusive of any other remedies or means of redress to which a Party may be entitled under Applicable Law.

#### 9. SURVIVAL OF OBLIGATIONS

Except as otherwise provided in this Agreement and unless otherwise agreed in writing by the Parties, the rights and obligations of the Parties under Articles 6, 7, 9, 10, 11, 14, 16, 18, 21 and 26 shall survive the expiration or earlier termination of this Agreement.

#### 10. REPRESENTATIONS AND WARRANTIES

10.1 Each Party represents that it has full power and authority to enter into this Agreement and to perform all its obligations hereunder.

10.2 No representation or warranty of any nature or kind is given by either Party (whether express, implied, statutory, contractual or other in nature and whether relating to the enforceability, merchantability, fitness for purpose, non-infringement, absence of rights of Third Parties or other) in respect of the Technology or other rights to be licensed or transferred by it pursuant to the terms of this Agreement.

10.3 Nothing in this Agreement shall be construed as a warranty or representation that the Services will produce any specific result or Technology or that any product made, used, sold or otherwise disposed with the benefit of any rights or license granted pursuant to this Agreement is or will be free from infringement of patents of Third Parties.

- 13 -

#### 11. DISCLAIMER OF WARRANTY AND INDEMNITY

Except to the limited extent provided in Article 10, Alcanint expressly disclaims all and any liability or responsibility whatsoever for any Liability arising out of the use of the Technology or the provision of any Service. ALCANINT AND NOVELIS BRASIL DO NOT WARRANT THAT THE TRANSFERRED TECHNOLOGY, LICENSED TECHNOLOGY OR SERVICES PROVIDED BY ALCANINT OR NOVELIS BRASIL, OR THAT ANY PRODUCT, IS OR WILL BE OF MERCHANTABILITY QUALITY OR FIT FOR ANY PARTICULAR PURPOSE FOR WHICH IT MAY BE BOUGHT OR USED. Alcanint and Novelis Brasil shall in no event be liable to the other, or any other Person, for any damage, injury or loss, including loss of use arising from any activities or obligations under this Agreement, or for any direct or indirect, incidental or consequential damages.

#### 12. TRADEMARK, TRADE NAME AND LOGO

No right is conveyed by either Party to the other under this Agreement for the use, either directly, indirectly, by implication or otherwise, of any trademark, trade name or logo owned by Novelis Brasil or Alcanint or their respective Affiliates. The Parties will enter into a separate trademark license agreement if appropriate.

#### 13. NON-WAIVER

The failure of any Party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement or to exercise any election herein contained, shall not be construed as a waiver for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election. No waiver of any breach or default of this Agreement shall be held to be a waiver for any subsequent breach.

14. NO PARTNERSHIP, JOINT VENTURE

The Parties to this Agreement agree and acknowledge that the Agreement does not create a partnership, joint venture or any other relationship between Alcanint and Novelis Brasil save the relationship specifically set out herein and solely for the limited purposes herein.

15. FURTHER ASSURANCES

The Parties to this Agreement shall sign or cause their respective employees to execute any documents necessary to file any desired registrations and applications to protect any Technology originating in the course of the Services and receive any patents, copyrights, design rights, mask works or other forms of legal protection resulting from such applications and registrations in any selected countries and co-operate using their respective commercially reasonable efforts to obtain any necessary Consent of Third Parties. Nothing contained in this Agreement shall be interpreted to oblige any Party to do anything more than use its commercially reasonable efforts (without material expense to it) to obtain any Consent which may be required to give full effect to the terms and conditions hereof.

- 14 -

16. NOTICES

All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery, if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the date of actual receipt if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO ALCANINT, TO:

Alcan International Limited  
1188 Sherbrooke Street West  
Montreal, Quebec, Canada  
H3A 3G2  
Fax: (514) 848-1535

Attention: Corporate Secretary

IF TO NOVELIS BRASIL, TO:

Novelis Do Brasil Ltda.  
Avenida das Nacoes Unidas, 12.551  
15th Floor  
Sao Paulo  
Sao Paulo State  
Brazil, CEP 04578-000  
Fax: +55 (11) 5503-0791

Attention: President

Any Party may, by notice to the other Party as set forth herein, change the address or fax number to which such notices are to be given.

17. ASSIGNMENT

This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party hereto without the prior written consent of the other, and any attempt to assign any rights or obligations under this Agreement without such consent shall be void and deemed to be in breach hereof.

18. LIMITATION OF LIABILITY AND INDEMNIFICATION

18.1 LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be



liable to the other Party for any special, consequential, indirect, collateral, incidental or punitive damages, lost profits, or failure to realize expected savings, or other commercial

- 15 -

or economic loss of any kind, however caused and on any theory of liability, (including negligence) arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of any such damages; provided, however, that the foregoing limitations shall not limit either Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article IX of the Separation Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

18.2 INDEMNIFICATION

Alcanint shall indemnify, defend and hold harmless Novelis Brasil, each other member of Novelis Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "NOVELIS INDEMNIFIED PARTIES"), from and against any and all Liabilities of the Novelis Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (a) the breach or the failure of performance by Alcanint of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (b) the use of any Technology by any member of Novelis Group or its customers or the provision by Alcanint of any Service hereunder,

but subject however to the limitations of liability provided in Section 18.1.

Novelis Brasil shall indemnify, defend and hold harmless Alcanint, each other member of Alcan Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "ALCANINT INDEMNIFIED PARTIES"), from and against any and all Liabilities of the Alcanint Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (a) the breach or the failure of performance by Novelis Brasil of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (b) the use of any Technology by any member of Alcan Group or its customers or the provision by Novelis Brasil of any Service hereunder,

but subject however to the limitations of liability provided in Section 18.1.

18.3 PROVISIONS APPLICABLE WITH RESPECT TO INDEMNIFICATION OBLIGATIONS

Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to indemnification or

- 16 -

reimbursement pursuant to Article 18 of this Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

19. ENTIRE AGREEMENT

This Agreement, the Separation Agreement and exhibits, schedules and appendices hereto and thereto and the specific agreements contemplated

herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

Notwithstanding the foregoing, the rights and interests transferred, assigned or granted to Novelis Brasil, its Affiliates and the other members of Novelis Group, or to Alcanint, its Affiliates and the other members of Alcan Group, or otherwise to be made available to them pursuant to the terms of this Agreement, shall in all respects be subject to the provisions of the Separation Agreement and nothing in this Agreement shall entitle Novelis Brasil or Alcanint to have any rights or pursue any activity which would otherwise be restricted by the Separation Agreement. The Separation Agreement shall not in defining the assets, businesses, rights and obligations to form part of Novelis Brasil, be interpreted so as to grant, convey or confirm, directly or indirectly, any rights in respect of Technology which would be greater than those established herein.

20. CONFLICTS

In the event of any conflict between this Agreement and the Separation Agreement, the latter shall be paramount.

21. DISPUTE RESOLUTION

The Master Agreement with Respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

22. FORCE MAJEURE

No Party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement results from superior force ("force majeure") or any act, occurrence or omission beyond its reasonable control and without its fault or negligence, such as fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a

- 17 -

government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of facilities or, in the case of computer systems, any failure in electrical or air conditioning equipment (a "FORCE MAJEURE EVENT"). If a Force Majeure Event has occurred and its effects are continuing, then, upon notice by the Party who is delayed or prevented from performing its obligations to the other Party, (i) the affected provisions or other requirements of this Agreement shall be suspended to the extent necessary during the period of such disability, (ii) the Party which is delayed or prevented from performing its obligations by a Force Majeure Event shall have the right to apportion its Services in an equitable manner to all users and (iii) such Party shall have no liability to the other Party or any other Person in connection therewith. The Party which is delayed or prevented from performing its obligations by the Force Majeure Event shall resume full performance of this Agreement as soon as reasonably practicable following the cessation of the Force Majeure Event (or the consequences thereof).

23. CONSTRUCTION

The rules of construction and interpretation set forth in Section 16.04 of the Separation Agreement shall apply to this Agreement.

24. LANGUAGE

The Parties hereto have requested that this Agreement and all other documents, notices or written communications relating thereto, be in the English language.

25. AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

26. GOVERNING LAW

The Parties agree that this Agreement shall be governed, construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein. The terms of the United Nations (Vienna Convention) on Contracts for the International Sale of Goods shall not apply to this Agreement or the obligations of the Parties hereunder.

27. SEVERABILITY

If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of

- 18 -

the transactions contemplated hereby, as the case may be, is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

28. EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

- 19 -

IN WITNESS WHEREOF, the Parties hereto have caused this Technical Services Agreement to be executed by their duly authorized representatives.

NOVELIS DO BRASIL LTDA.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN INTERNATIONAL LIMITED

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:



TECHNICAL SERVICES AGREEMENT

between

NOVELIS PAE VOREPPE

and

PECHINEY CENTRE DE RECHERCHES DE VOREPPE

WITH RESPECT TO THE RESEARCH & DEVELOPMENT FACILITIES  
AND TO THE MANUFACTURING FACILITIES BOTH LOCATED  
IN VOREPPE (FRANCE)

DATED DECEMBER 0, 2004  
WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>

<S>	<C>	<C>
1.	DEFINITIONS.....	1
2.	SCOPE OF AGREEMENT.....	4
3.	TECHNOLOGY.....	5
4.	TECHNOLOGY AND TECHNICAL ASSISTANCE LIMITATIONS.....	5
5.	OWNERSHIP AND RIGHT TO USE.....	6
6.	CONSIDERATION.....	6
7.	PROTECTION OF INFORMATION.....	7
8.	TERM AND TERMINATION.....	9
9.	SURVIVAL OF OBLIGATIONS.....	10
10.	REPRESENTATIONS AND WARRANTIES.....	10
11.	DISCLAIMER OF WARRANTY AND INDEMNITY.....	10
12.	TRADEMARK, TRADE NAME AND LOGO.....	11
13.	NON-WAIVER.....	11
14.	NO PARTNERSHIP, JOINT VENTURE.....	11
15.	FURTHER ASSURANCES.....	11
16.	NOTICES.....	11
17.	ASSIGNMENT.....	12
18.	LIMITATION OF LIABILITY AND INDEMNIFICATION.....	12

19.	ENTIRE AGREEMENT.....	13
20.	CONFLICTS.....	14
21.	DISPUTE RESOLUTION.....	14
22.	FORCE MAJEURE.....	14
23.	CONSTRUCTION.....	15
24.	LANGUAGE.....	15
25.	AMENDMENTS.....	15
26.	GOVERNING LAW.....	15
27.	SEVERABILITY.....	15
28.	EXECUTION IN COUNTERPARTS.....	15

</TABLE>

-ii-

TECHNICAL SERVICES AGREEMENT

THIS AGREEMENT is dated December 0, 2004, with effect as of the Effective Date.

BETWEEN: NOVELIS PAE VOREPPE, a company organized under the laws of France ("PAE");

AND: PECHINEY CENTRE DE RECHERCHES DE VOREPPE, a company organized under the laws of France ("CRV").

RECITALS:

WHEREAS Alcan Inc. and Novelis Inc. have entered into a Separation Agreement pursuant to which they set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein) such that the Separated Businesses are to be held, as at the Effective Time (as defined below), directly or indirectly, by Novelis Inc. (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS CRV develops, owns and manages certain technology on behalf of and for the benefit of Alcan Inc. and other members of Alcan Group (as defined below).

WHEREAS in connection with the Separation Agreement, Novelis Inc. and Alcan Inc. desire that CRV, a member of Alcan Group, provide PAE, a member of Novelis Group (as defined below), with certain technical assistance and services following the Effective Date (as defined below) from CRV's research and development facility located in Voreppe (France) ("CRV FACILITY"), and for PAE's manufacturing facility located in Voreppe (France) ("PAE FACILITY"), subject to the terms and conditions of this Agreement.

WHEREAS CRV is willing and in a position to provide PAE with such technical assistance and services, subject to the terms and conditions of this Agreement.

WHEREAS the Parties have entered into this Agreement in order to set forth such terms and conditions.

NOW THEREFORE, for and in consideration of the agreements set forth below, PAE and CRV agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following words and expressions and variations thereof, unless another meaning is clearly required in the context, shall have the meanings specified or referred to in this Article 1:

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes

of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise and

the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Technical Services Agreement, including all of the Schedules and Exhibits hereto.

"ALCAN GROUP" means Alcan Inc. and its Subsidiaries from time to time after the Effective Time.

"APPLICABLE LAW" means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"BASIC FEE" has the meaning set forth in Section 6.1.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada), in the City of New York (United States) or in the City of Paris (France), is a legal holiday or (ii) a day on which banks are authorized by Applicable Law to close in the City of Montreal (Canada), in the City of New York (United States) or in the City of Paris (France).

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"CRV" means Pechiney Centre de Recherches de Voreppe.

"CRV FACILITY" has the meaning set out in the Preamble to this Agreement.

"CRV INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"CRV TECHNICAL ASSISTANCE SERVICES" has the meaning set forth in Section 2.1.

"EFFECTIVE DATE" means the date shown on the certificate of arrangement issued by the Director under the Canada Business Corporations Act giving effect to the Arrangement as defined in the Separation Agreement.

"EFFECTIVE TIME" means 12:01 a.m. Montreal time on the Effective Date.

"FORCE MAJEURE EVENT" has the meaning set forth in Article 22.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

- 2 -

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"GROUP" means Alcan Group or Novelis Group, as the context requires.

"INFORMATION" means, without being limitative, all Results and all data, documents and information relating to the Technology as well as to any Technical Assistance Service, improvement, know how, engineering, manufacturing and other techniques and procedures, including systems, plans, methods, processes and techniques of inspection, quality control and tests, made available to CRV or PAE under this Agreement.

"LAB YEAR" means the services equating to one qualified technical person for one year spread reasonably evenly throughout the time period during which the Services are to be provided.

"LIABILITIES" has the meaning ascribed thereto in the Separation Agreement.

"LICENSE AGREEMENT" means the agreement entitled "IP Agreement between Alcan International Limited and Novelis Inc.", as amended, restated or modified from time to time, and constituting an Ancillary Agreement to the Separation Agreement.

"NOVELIS GROUP" means Novelis Inc. and its Subsidiaries from time to time after the Effective Time.

"PAE" means Novelis PAE Voreppe.

"PAE FACILITY" has the meaning set out in the Preamble to this Agreement.

"PAE INDEMNIFIED PARTIES" has the meaning set forth in Section 18.2.

"PARTY" means each of PAE and CRV as a party to this Agreement and "PARTIES" means both of them.

"PERSON" means any individual, Business Concern or Governmental Authority.

"REIMBURSABLE COSTS" has the meaning set forth in Section 6.3.

"RESULTS" means data, reports and conclusions produced in the course of providing the Services.

"SALES TAXES" means any fee, tax or commission of whatever nature, including any withholding, registration fee, remittance fee, notarial fee, stamp tax, duty or charge imposed by a Governmental Authority pursuant to Applicable Law.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SERVICES" means the Technical Assistance Services and other services provided by CRV to PAE under this Agreement, including the Services on Request.

- 3 -

"SERVICES ON REQUEST" has the meaning set forth in Section 2.2.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which of a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person.

"TECHNOLOGY" means any and all patents, patent applications, trade secrets, inventions, designs and similar rights either conceived or first reduced to practice in the course of providing the Services hereunder, but excludes any and all Results.

"TERM" has the meaning set forth in Section 8.1.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member of Alcan Group or a member of Novelis Group and that is not an Affiliate of such Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

## 2. SCOPE OF AGREEMENT

CRV will provide PAE technical assistance and other services consistent with CRV's resources. The Parties shall mutually agree on the scope, timing and content of the services to be provided in each area identified to the extent not expressly provided herein. Such services are divided into the following main categories:

### 2.1 TECHNICAL ASSISTANCE SERVICES BY CRV

The technical assistance services to be rendered by CRV or Alcan Group personnel under this Agreement (the "CRV TECHNICAL ASSISTANCE SERVICES") will comprise about 0.5 Lab Year with a minimum of 0.25 Lab Year of effort, for a period of \*\*\* commencing on the Effective Date, with provision for extension of certain CRV Technical Assistance Services into \*\*\* upon request of PAE.

The CRV Technical Assistance Services will consist of such services as the Parties will mutually agree upon from time to time during the Term of this Agreement.

The Parties currently anticipate that the CRV Technical Assistance Services to be rendered by CRV to PAE during the Term of this Agreement will include the following services:

2.1.1 technical assistance on Jetcleaner;



2.1.2 technical assistance on Alpur;

2.1.3 technical assistance on PDBF/CFF;

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- 4 -

2.1.4 technical assistance on Automatic Slab Casting; and

2.1.5 technical assistance on strip casting (calculations based on thermo-mechanical modeling).

## 2.2 ADDITIONAL SERVICES TO BE PROVIDED UPON REQUEST

The Parties may from time to time during the Term of this Agreement, agree on additional services to be provided hereunder by CRV to PAE ("SERVICES ON REQUEST"). The terms and conditions of Services on Request will be subject to a separate agreement between the Parties on a case-by-case basis but based on the fee structure described in this Agreement.

## 3. TECHNOLOGY

### 3.1 INFORMATION EXCHANGE

In connection with the planning, managing, providing and communicating the results of the Services, CRV and PAE shall communicate and meet periodically as mutually agreed. The topics to be discussed shall be agreed before each meeting and recorded on an agenda. Actual discussion topics shall be recorded in minutes of the meeting. A written record of other communications shall also be retained.

### 3.2 REPORTING OF RESULTS

All Results generated in the course of providing the Services shall be promptly reported to the Party requesting the Services. These reports may be oral or written as specified by PAE. The preparation of such reports shall be considered part of the provision of the Services.

## 4. TECHNOLOGY AND TECHNICAL ASSISTANCE LIMITATIONS

4.1 Nothing herein limits in any way the rights and benefits granted to CRV and PAE in the License Agreement.

4.2 Subject to Section 4.1 but notwithstanding anything contained elsewhere in this Agreement, CRV and PAE shall be under no obligation to:

4.2.1 provide any Information, the disclosure of which is restricted due to contractual obligations; or

4.2.2 provide Information the transmission of which is prohibited by Applicable Law, protocol or directive of the Governmental Authority of the country from which it is to be provided.

- 5 -

## 5. OWNERSHIP AND RIGHT TO USE

5.1 PAE shall receive and own all Results generated in the course of performing such Services, including any copyright therein.

5.2 CRV shall own all Technology created by its employees in the course of performing the Services for PAE, and CRV hereby grants to PAE and its Affiliates a non-exclusive, world-wide, non-transferable licence to use in perpetuity such Technology.

5.3 This Agreement does not restrict CRV or PAE from obtaining technology from other sources as long as Information acquired from the other Party is not disclosed.

## 6. CONSIDERATION

In consideration for the CRV Technical Assistance Services rendered by CRV under this Agreement, PAE shall pay to CRV the following fees:

6.1 BASIC FEE

The basic fee ("BASIC FEE") for rendering one Lab Year of Services under Section 2.1 is \*\*\*. The Basic Fee for Services covers all fully absorbed costs related to the provision of Services and information including all salary and benefits for the persons providing the services, all overhead costs including rent, utilities, maintenance, management and corporate charges, other similar charges, cost of equipment required for the performance of the Services, travel related costs and special project costs. The Basic Fee does not include the cost of metal, which shall be in addition to the Basic Fee and shall be reimbursed at cost by one Party to the other, as applicable, separately from the Basic Fee.

6.2 FEE FOR SERVICES ON REQUEST: FIXED PRICE

For certain Services on Request, the Parties shall agree on a fixed price rather than on a price based on a daily rate.

6.3 REIMBURSABLE COSTS

For all the Services set forth in Sections 2.1 and 2.2 rendered to PAE inside or outside of France, metal and equipment acquisition costs are not included in the Basic Fee and they shall be reimbursed at cost (the "REIMBURSABLE COSTS").

6.4 PAYMENT TERMS

Payments shall be made as follows:

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- 6 -

6.4.1 Basic Fee

CRV will invoice the Basic Fee for one fourth (1/4) of one Lab Year of Services, on a monthly basis during the Term of this Agreement, with the payment due within thirty (30) days from the date of the invoice, the Parties to proceed to the necessary adjustments, if any, in connection with the Basic Fee payable hereunder, at the end of the Term.

6.4.2 Services on Request and Reimbursable Costs

CRV will invoice the cost of Services on Request and the Reimbursable Costs on a monthly basis, with the respective payments due within thirty (30) days from the date of the invoice. All invoices will be against a purchase order and will be supported, as applicable, by reasonably detailed reports and documentation about time spent and expenses incurred.

6.4.3 Taxes and Charges

All amounts payable hereunder shall be made in full and net of all Sales Taxes. Each Party shall pay all Sales Taxes applicable to Services performed for the benefit of such Party or to such Party's payments under this Agreement, and shall remit the amount of such Sales Taxes to the prescribed Person as required by Applicable Law. All invoices shall separately identify Sales Taxes payable in respect of the Services.

6.4.4 Payment Address

All amounts due to CRV under this Agreement shall be paid by electronic transfer to CRV's BNP Paribas account number 30004 00617 00010218346 80 located at 1, Rue Beranger 38000 Grenoble, France.

7. PROTECTION OF INFORMATION

- 7.1 The Parties hereby agree that the Information produced or developed by CRV for PAE pursuant to this Agreement at any time is confidential information of PAE and shall not be disclosed to any Third Party except as may be expressly provided for herein and that CRV shall have only such rights in the Information as expressly provided herein.
- 7.2 The obligations of confidentiality and non-disclosure shall not apply to Information to the extent that said Information:

- 7 -

- 7.2.1 is in the public domain through no fault of the other Party, or lawfully is or becomes public knowledge through no breach of this Agreement; or
- 7.2.2 was received from any Third Party on a non-confidential basis,
- 7.2.3 was disclosed pursuant to legal process, governmental request, or regulatory requirement.
- 7.3 Specific information shall not be deemed to be within the exceptions of Section 7.2 merely because such specific information may be construed as being within broader, non-confidential information which is either in the public domain or in the possession of the receiving party on the Effective Date, nor shall a combination of features which form confidential information be deemed to be non-confidential information merely because the individual features, without being combined, are non-confidential.
- 7.4 CRV shall not use the Information produced hereunder for any other purpose other than that specified in this Agreement without first obtaining written consent from PAE.
- 7.5 CRV may disclose the Information it produces hereunder for PAE to its own officers, employees, contractors, suppliers, customers, representatives and others to the extent necessary for the provision of Services under this Agreement. CRV shall take reasonable precautions, consistent with past practices to preserve the value of the Information. CRV shall advise the appropriate officers, employees, contractors, suppliers, customers, representatives and others to whom such Information is supplied of the confidentiality obligation hereunder, and shall ensure that, where appropriate, they have agreed to comply with the provisions of this Article 7.
- 7.6 The obligations of confidentiality with respect to specific Information received under this Agreement or otherwise shall expire on the tenth (10th) anniversary date of the Effective Date.
- 7.7 CRV recognizes that a breach of this Article 7 may give rise to irreparable injury that cannot be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach, PAE may be entitled to preliminary and permanent injunctive relief to prevent or enjoin a violation of this Article 7 and the unauthorized use or disclosure of any confidential Information in addition to such other remedies as may be available for such breach or threatened breach, including the recovery of damages.
- 7.8 No provision of this Agreement shall be construed to require either Party to furnish any information (i) acquired from others on terms prohibiting or restricting disclosure, or (ii) the furnishing of which is in contravention of any Applicable Law or Governmental Authorization.

- 8 -

## 8. TERM AND TERMINATION

- 8.1 The term of this Agreement (the "TERM") shall be from the Effective Date until the date which is the \*\*\* anniversary thereof, unless terminated earlier pursuant to the provisions of this Agreement or except as expressly otherwise provided in this Agreement. Upon expiry or earlier termination of this Agreement, PAE shall retain the licences granted under Section 5.2.

- 8.2 Should there be a default in the performance of any material obligation of the other Party under this Agreement and such default is not cured within thirty (30) days following written notification of such default from the aggrieved Party, the aggrieved Party's obligations shall terminate on the date specified on such notice which shall not be less than thirty (30) days following the date of such notice. Early termination shall not prejudice either Party's right to recover any amounts due at the time of such termination nor shall it prejudice any other remedy or cause of action or claim accrued or to accrue jointly or severally on account of any such default.
- 8.3 This Agreement may be terminated by either Party by giving written notice to the other Party should any of the following events of default occur with respect to the other Party:
- (a) the bankruptcy or insolvency of the other Party;
  - (b) the appointment of a receiver for the other Party's assets;
  - (c) the making by the other Party of a general assignment for the benefit of creditors;
  - (d) the institution by the other Party of proceedings for a reorganization under the Bankruptcy and Insolvency Act (Canada) or similar legislation for the relief of debtors or the institution of involuntary proceedings against a Party which are not terminated in thirty (30) days;
  - (e) in the case of PAE, Novelis Inc., or in the case of CRV, Alcan Inc., breaches any representation or warranty, or fails to perform or comply with any covenant, provision, undertaking or obligation in or of the Separation Agreement.
- 8.4 In addition, this Agreement shall terminate (1) upon the occurrence of a Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis Inc. pursuant to Section 14.03(b) of the Separation Agreement, or (2) upon the occurrence of a Change of Control Non Compete Breach (as defined in the Separation Agreement) and the giving of notice of the termination of this Agreement by Alcan Inc. to Novelis Inc. pursuant to Section 14.04(e) of the Separation Agreement, in which event the termination of this Agreement shall be effective

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- 9 -

immediately upon Alcan Inc. providing Novelis Inc. notice pursuant to Section 14.03(b) or Section 14.04(e) of the Separation Agreement.

- 8.5 Subject to the provisions of Section 8.4, termination will take effect thirty (30) days after receipt of the notice without any further notice being given, unless the event of default is rectified or diligent efforts to rectify the event of default commence within the 30-day period.
- 8.6 Such right of termination shall not be exclusive of any other remedies or means of redress to which a Party may be entitled under Applicable Law.
- 8.7 This Agreement may be terminated at the option of PAE on or after the first (1st) anniversary of the Effective Date by providing notice to CRV at least six (6) months before the termination is to become effective, provided all payments owed under Article 6 have been permitted to CRV.

## 9. SURVIVAL OF OBLIGATIONS

Except as otherwise provided in this Agreement and unless otherwise agreed in writing by the Parties, the rights and obligations of the Parties under Section 5.2 and under Articles 6, 7, 9, 10, 11, 14, 16, 18, 21 and 26 shall survive the expiration or earlier termination of this Agreement.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 Each Party represents that it has full power and authority to enter into this Agreement and to perform all its obligations hereunder.
- 10.2 No representation or warranty of any nature or kind is given by either Party (whether express, implied, statutory, contractual or other in nature and whether relating to the enforceability, merchantability, fitness for purpose, non-infringement, absence of rights of Third Parties or other) in respect of the Technology or other rights to be licensed or transferred by it pursuant to the terms of this Agreement.
- 10.3 Nothing in this Agreement shall be construed as a warranty or representation that the Services will produce any specific result or Technology or that any product made, used, sold or otherwise disposed with the benefit of any rights or license granted pursuant to this Agreement is or will be free from infringement of patents of Third Parties.

11. DISCLAIMER OF WARRANTY AND INDEMNITY

Except to the limited extent provided in Article 10, CRV expressly disclaims all and any liability or responsibility whatsoever for any Liability arising out of the use of the Technology or the provision of any Service. CRV does not warrant that the transferred technology, licensed technology or services provided by CRV, or that any product, is or will be of merchantable quality or fit for any particular purpose for which it may be

- 10 -

bought or used. CRV shall in no event be liable to PAE, or any other Person, for any damage, injury or loss, including loss of use arising from any activities or obligations under this Agreement, or for any direct or indirect, incidental or consequential damages.

12. TRADEMARK, TRADE NAME AND LOGO

No right is conveyed by either Party to the other under this Agreement for the use, either directly, indirectly, by implication or otherwise, of any trademark, trade name or logo owned by CRV or PAE or their respective Affiliates. The Parties will enter into a separate trademark license agreement if appropriate.

13. NON-WAIVER

The failure of any Party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement or to exercise any election herein contained, shall not be construed as a waiver for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election. No waiver of any breach or default of this Agreement shall be held to be a waiver for any subsequent breach.

14. NO PARTNERSHIP, JOINT VENTURE

The Parties to this Agreement agree and acknowledge that the Agreement does not create a partnership, joint venture or any other relationship between CRV and PAE save the relationship specifically set out herein and solely for the limited purposes herein.

15. FURTHER ASSURANCES

The Parties to this Agreement shall sign or cause their respective employees to execute any documents necessary to file any desired registrations and applications to protect any Technology originating in the course of the Services and receive any patents, copyrights, design rights, mask works or other forms of legal protection resulting from such applications and registrations in any selected countries and co-operate using their respective commercially reasonable efforts to obtain any necessary Consent of Third Parties. Nothing contained in this Agreement shall be interpreted to oblige any Party to do anything more than use its commercially reasonable efforts (without material expense to it) to obtain any Consent which may be required to give full effect to the terms and conditions hereof.

16. NOTICES

All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when delivered in person or successfully transmitted by facsimile, addressed as follows:

IF TO CRV, TO:

PECHINEY Centre de Recherches de Voreppe  
Fax: 33 4 76 50 12 71

Attention: President

IF TO PAE, TO:

o  
Fax: o

Attention: Chief Executive Officer

Any Party may, by notice to the other Party as set forth herein, change the address or fax number to which such notices are to be given.

17. ASSIGNMENT

This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party hereto without the prior written consent of the other, and any attempt to assign any rights or obligations under this Agreement without such consent shall be void and deemed to be in breach hereof.

18. LIMITATION OF LIABILITY AND INDEMNIFICATION

18.1 LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other Party for any special, consequential, indirect, collateral, incidental or punitive damages, lost profits, or failure to realize expected savings, or other commercial or economic loss of any kind, however caused and on any theory of liability, (including negligence) arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of any such damages; provided, however, that the foregoing limitations shall not limit either Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article IX of the Separation Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

18.2 INDEMNIFICATION

CRV shall indemnify, defend and hold harmless PAE, each other member of Novelis Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "PAE INDEMNIFIED PARTIES"), from and against any and all Liabilities of the PAE Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (a) the breach or the failure of performance by CRV of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (b) the use of any Technology by any member of Novelis Group or its customers or the provision by CRV of any Service hereunder,

but subject however to the limitations of liability provided in Section 18.1.

PAE shall indemnify, defend and hold harmless CRV, each other member of Alcan Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "CRV INDEMNIFIED PARTIES"), from and against any and all Liabilities of the CRV Indemnified Parties incurred by, borne by or asserted against any of them relating to, arising out of or resulting from any of the following items (without duplication):

- (c) the breach or the failure of performance by PAE of any of the covenants, promises, undertakings or agreements which it is obligated to perform under this Agreement; and
- (d) the use of any Technology by any member of Alcan Group or its customers or the provision by PAE of any Service hereunder,

but subject however to the limitations of liability provided in Section 18.1.

#### 18.3 PROVISIONS APPLICABLE WITH RESPECT TO INDEMNIFICATION OBLIGATIONS

Sections 9.04, 9.05, 9.06, 9.07 and 9.09 of the Separation Agreement shall apply mutatis mutandis with respect to any Liability subject to indemnification or reimbursement pursuant to Article 18 of this Agreement (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).

#### 19. ENTIRE AGREEMENT

This Agreement, the Separation Agreement and exhibits, schedules and appendices hereto and thereto and the specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

Notwithstanding the foregoing, the rights and interests transferred, assigned or granted to PAE, its Affiliates and the other members of Novelis Group, or to CRV, its Affiliates and the other members of Alcan Group, or otherwise to be made available to them pursuant to the terms of this Agreement, shall in all respects be subject to the provisions of the Separation Agreement and nothing in this Agreement shall entitle PAE or CRV to have

- 13 -

any rights or pursue any activity which would otherwise be restricted by the Separation Agreement. The Separation Agreement shall not in defining the assets, businesses, rights and obligations to form part of Novelis Inc., be interpreted so as to grant, convey or confirm, directly or indirectly, any rights in respect of Technology which would be greater than those established herein.

#### 20. CONFLICTS

In the event of any conflict between this Agreement and the Separation Agreement, the latter shall be paramount.

#### 21. DISPUTE RESOLUTION

The Master Agreement with Respect to Dispute Resolution, effective on the Effective Date, among the Parties and other parties thereto shall govern all disputes, controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

#### 22. FORCE MAJEURE

No Party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement results from superior force ("force majeure") or any act, occurrence or omission beyond its reasonable control and without its fault or negligence, such as fires, explosions, accidents, strikes, lockouts or labour disturbances, floods, droughts, earthquakes, epidemics, seizures of cargo, wars (whether or not declared), civil commotion, acts of God or the public enemy, action of any government, legislature, court or other Governmental Authority, action by any authority, representative or organisation exercising or claiming to exercise powers of a government or Governmental Authority, compliance with Applicable Law, blockades, power failures or curtailments, inadequacy or shortages or curtailments or cessation of supplies of raw materials or other supplies, failure or breakdown of equipment of

facilities or, in the case of computer systems, any failure in electrical or air conditioning equipment (a "FORCE MAJEURE EVENT"). If a Force Majeure Event has occurred and its effects are continuing, then, upon notice by the Party who is delayed or prevented from performing its obligations to the other Party, (i) the affected provisions or other requirements of this Agreement shall be suspended to the extent necessary during the period of such disability, (ii) the Party which is delayed or prevented from performing its obligations by a Force Majeure Event shall have the right to apportion its Services in an equitable manner to all users and (iii) such Party shall have no liability to the other Party or any other Person in connection therewith. The Party which is delayed or prevented from performing its obligations by the Force Majeure Event shall resume full performance of this Agreement as soon as reasonably practicable following the cessation of the Force Majeure Event (or the consequences thereof).

- 14 -

23. CONSTRUCTION

The rules of construction and interpretation set forth in Section 16.04 of the Separation Agreement shall apply to this Agreement.

24. LANGUAGE

The Parties hereto have requested that this Agreement and all other documents, notices or written communications relating thereto, be either in the English or French languages.

25. AMENDMENTS

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

26. GOVERNING LAW

The Parties agree that this Agreement shall be governed, construed and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein. The terms of the United Nations (Vienna Convention) on Contracts for the International Sale of Goods shall not apply to this Agreement or the obligations of the Parties hereunder.

27. SEVERABILITY

If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

28. EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

- 15 -

IN WITNESS WHEREOF, the Parties hereto have caused this Technical Services Agreement to be executed by their duly authorized representatives.



By:

\_\_\_\_\_  
Name:  
Title:

By:

\_\_\_\_\_  
Name:  
Title:

PECHINEY CENTRE DE RECHERCHES DE VOREPPE

By:

\_\_\_\_\_  
Name:  
Title:

By:

\_\_\_\_\_  
Name:  
Title:

MASTER METAL HEDGING AGREEMENT

between  
ALCAN INC.  
and  
NOVELIS INC.

DATED DECEMBER 0, 2004, WITH EFFECT AS OF THE EFFECTIVE DATE

TABLE OF CONTENTS

<TABLE>	
<S>	<C>
1. DEFINITIONS AND INTERPRETATION.....	1
2. CONFIRMATIONS.....	5
3. CALCULATION OF SETTLEMENT AMOUNTS.....	6
4. PAYMENT.....	6
5. NOVELIS OBLIGATIONS.....	7
6. ALCAN'S OBLIGATIONS.....	7
7. VOLUME LIMITS AND MARKET DISRUPTION.....	8
8. ASSIGNMENT.....	9
9. TERMINATION.....	9
10. DISPUTE RESOLUTION.....	9
11. MISCELLANEOUS.....	10
</TABLE>	

THIS MASTER METAL HEDGING AGREEMENT entered into in the City of Montreal, Province of Quebec, is dated December 0, 2004, with effect as of the Effective Date.

BETWEEN: ALCAN INC., a corporation organized under the Canada Business Corporations Act ("ALCAN");

AND: NOVELIS INC., a corporation incorporated under the Canada Business Corporations Act ("NOVELIS").

RECITALS:

WHEREAS Alcan and Novelis have entered into a Separation Agreement pursuant to which the Parties (as defined hereinafter) set out the terms and conditions relating to the separation of the Separated Businesses from the Remaining Alcan Businesses (each as defined therein), such that the Separated Businesses are to be held, as at the Effective Time (as defined therein), directly or indirectly, by Novelis (such agreement, as amended, restated or modified from time to time, the "SEPARATION AGREEMENT").

WHEREAS the Separated Businesses held by Novelis include the manufacture of

rolled aluminum.

WHEREAS Alcan supplies to Novelis and other members of Novelis Group (as defined hereinafter) aluminum pursuant to certain Metal Supply Agreements constituting Ancillary Agreements to the Separation Agreement.

WHEREAS certain third-party customers of Novelis may request fixed price arrangements from time to time for the purchase of aluminum products from Novelis.

WHEREAS Novelis wishes to hedge these price arrangements with third party customers from fluctuations in the price of aluminum through fixed forward pricing arrangements.

AND WHEREAS, Alcan is prepared to provide hedging services to Novelis in accordance with the terms and conditions of this Agreement in respect of Transactions (as defined herein), with Alcan and Novelis acting both as principals under such Transactions.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions. For the purposes of this Agreement the following terms and expressions and variations thereof shall, unless another meaning is clearly required in the context, have the meanings specified or referred to in this Section 1.1:

"AFFILIATE" of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, "CONTROL" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person,

whether through the ownership of voting securities or other interests, by contract or otherwise, and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AGREEMENT" means this Master Metal Hedging Agreement, including all of the Schedules and Exhibits hereto.

"AGREEMENT EFFECTIVE DATE" means the effective date of the Separation Agreement as defined therein.

"ALCAN GROUP" means Alcan and its Subsidiaries from time to time after the Effective Time.

"APPLICABLE LAW" means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

"BUSINESS CONCERN" means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

"BUSINESS DAY" means any day excluding (i) Saturday, Sunday and any other day which, in the City of Montreal (Canada) or in the City of New York (United States) is a legal holiday or (ii) a day on which banks are required or authorized by Applicable Law to close in the City of Montreal (Canada) or in the City of New York (United States).

"BUYER" means Novelis Inc. or such other member of Novelis Group as may be authorized from time to time to enter into Transactions as Buyer.

"CET" means Central European Time.

"COMMERCIALLY REASONABLE EFFORTS" means the efforts that a reasonable and prudent Person desirous of achieving a business result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible in the context of commercial relations of the type envisaged by this Agreement; provided, however, that an obligation to use Commercially Reasonable Efforts under this Agreement does not require the Person subject to that obligation to assume any material obligations or pay any material amounts to a Third Party or take actions that would reduce the benefits intended to be obtained by such Person under this Agreement.

"COMMODITY" shall mean aluminum metal.

"CONFIRMATION" means a written notice provided by Alcan to Novelis, specifying the information indicated in Section 2, as applicable.

"CONSENT" means any approval, consent, ratification, waiver or other authorization.

"DEFAULTING PARTY" has the meaning set forth in Section 9.1.

-2-

"DETERMINATION DATE" shall mean the last date of the relevant Determination Period, being the date on which the Settlement Amount for such Determination Period is calculated.

"DETERMINATION PERIOD" shall mean, in respect of any Transaction (i) for the first Determination Period, the period from and including the Effective Date to and including the first Determination Date, and (II) for each subsequent Determination Period, the period from but excluding the Determination Date of the immediately prior Determination Period, to and including the next subsequent Determination Date, and the last day of the final Determination Period shall be the Termination Date, such Determination Period or Periods being defined in the Confirmation.

"DOLLARS" or "\$" means, except where otherwise expressly indicated, the lawful currency of the United States of America.

"EFFECTIVE DATE" shall mean the date specified as such in the Confirmation by the Parties, which date is the first date of the first Determination Period.

"EFFECTIVE TIME" means 12:01 a.m. Montreal time on the Effective Date.

"EST" means Eastern Standard Time or, as applicable, Eastern Daylight Savings Time.

"EVENT OF DEFAULT" has the meaning set forth in Section 9.1.

"FIXED PRICE", in respect of any Transaction, has the meaning specified in the relevant Confirmation.

"GOVERNMENTAL AUTHORITY" means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

"GOVERNMENTAL AUTHORIZATION" means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

"LIABILITIES" has the meaning set forth in the Separation Agreement.

"LME" means the London Metal Exchange.

"MARKET DISRUPTION EVENT" has the meaning specified in Section 7.4 (c) of the 2000 Supplement to the 1993 Commodity Derivatives Definitions published in 2000 by the International Swaps and Derivatives Association, Inc..

"NOVELIS GROUP" means Novelis and its Subsidiaries from time to time after the Effective Time.

"OHS SYSTEM" means the on-line hedging system used by Novelis.

"PARTY" means each of Alcan and Novelis, as a party to this Agreement and "PARTIES" means both of them.

-3-

"PERSON" means any individual, Business Concern or Governmental Authority.

"PRICE", in respect of any Transaction, has the meaning specified in the relevant Confirmation.

"QUANTITY", in respect of any Transaction, has the meaning specified in the relevant Confirmation.

"REFERENCE MARKET-MAKERS" means three leading dealers in the market of the Commodity selected by the Parties in good faith.

"REFERENCE PRICE", in respect of any Transaction, has the meaning specified in the relevant Confirmation.

"REPLACEMENT TRANSACTION" has the meaning set forth in Section 7.3.

"SELLER" means Alcan Inc.

"SEPARATION AGREEMENT" has the meaning set out in the Preamble to this Agreement.

"SETTLEMENT AMOUNT" of any Swap shall have the meaning attributed to it in Section 3.2.

"SETTLEMENT DATE" with respect to Swaps, shall mean the second Business Day next succeeding the last Trading Day of a Determination Period.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

"SUPPLIER" means Alcan Inc.

"SWAP" means a Commodity swap based on fixed and floating prices using a Reference Price or index for an agreed Quantity of a Commodity.

"TERM" has the meaning set forth in Section 1.4.

"TERMINATING PARTY" has the meaning set forth in Section 9.1.

"TERMINATION DATE", in respect of any Transaction, has the meaning specified in the relevant Confirmation.

"THIRD PARTY" means a Person that is not a Party to this Agreement, other than a member of Alcan Group or a member of Novelis Group, and that is not an Affiliate of this Group.

"THIRD PARTY CLAIM" has the meaning set forth in the Separation Agreement.

"TRADING DAY" means each day during a Determination Period for which a Reference Price would, under normal circumstances, be determinable.

-4-

"TRANSACTION" means any Swap between Buyer and Seller entered into pursuant to this Agreement.

"TRANSACTION DATE" means the date specified as such in the Confirmation by the Parties, which date is the date on which the Parties enter into a Transaction.

- 1.2 Currency. Unless specified otherwise, all references to currency herein and in any Confirmations are to US Dollars.
- 1.3 Effectiveness. This Agreement shall come into full force and effect on the Agreement Effective Date.
- 1.4 Term. The term of this Agreement (the "TERM") shall commence on the Agreement Effective Date and shall expire on \*\*\*. This Agreement shall remain in effect in respect of Transactions entered into on or prior to \*\*\*, provided that no Transaction hereunder shall have a Determination Date later than \*\*\*.
- 1.5 Termination. This Agreement shall terminate:
  - (a) upon expiry of the Term;
  - (b) upon the mutual agreement of the Parties prior to the expiry of the Term;
  - (c) pursuant to Section 7.2 as a result of a Market Disruption Event; or
  - (d) upon the occurrence of an Event of Default, in accordance with Section 9.

## 2. CONFIRMATIONS

- 2.1 Pursuant to a request from Novelis or another authorized member of Novelis Group to Alcan through the OHS System, by telephone, fax or e-mail, the Parties may enter into Transactions from time to time in accordance with the provisions of this Agreement.
- 2.2 The specific terms and conditions of each Transaction shall be set forth in a Confirmation. Each Confirmation shall be delivered by Alcan to the relevant member of Novelis Group no later than the end of the first Business Day following the Transaction Date in respect of each

Transaction, and shall be deemed conclusive unless objected to in writing by the relevant member of Novelis Group within two Business Days of the date of such Confirmation. The Confirmation, together with the terms and conditions of this Agreement, shall constitute the terms and conditions of such Transaction. In the event of a conflict between a Confirmation and this Agreement, the terms of the Confirmation shall govern the Transaction.

2.3 For each Swap, the relevant Confirmation shall specify:

- (a) the Buyer and the Seller;
- (b) the Commodity;

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-5-

- (c) the Quantity;
- (d) the Fixed Price;
- (e) the Reference Price;
- (f) the Transaction Date;
- (g) the Determination Period or Periods;
- (h) the Termination Date; and
- (i) any other specific terms as agreed by the Parties.

2.4 Novelis may, from time to time, by notice to Alcan, propose that one or more other members of Novelis Group be authorized by Alcan to enter into Transactions as Buyer hereunder. Alcan shall not unreasonably withhold its authorization, which authorization shall be deemed given if Alcan issues a Confirmation naming such member of Novelis Group as Buyer. Novelis hereby unconditionally guarantees to Alcan the full and timely performance of all obligations of each other member of Novelis Group under all Transactions.

2.5 There shall be no obligation for Alcan to enter into any Transactions with Novelis other than Swaps, nor shall there be any obligation for Alcan to deal in any Commodity other than aluminum metal.

### 3. CALCULATION OF SETTLEMENT AMOUNTS

3.1 If the Fixed Price exceeds the Reference Price in a Determination Period, the Buyer shall pay to the Seller the Settlement Amount for such Determination Period and if the Reference Price exceeds the Fixed Price in a Determination Period, the Seller shall pay to the Buyer the Settlement Amount for such Determination Period.

3.2 The Settlement Amount for each Determination Period shall be equal to the product of (i) the difference between the Fixed Price and the Reference Price on the relevant Determination Date and (ii) the Quantity. The Settlement Amount for each Determination Period shall be paid to the Seller or the Buyer, as the case may be, on the Settlement Date with respect to such Determination Period.

### 4. PAYMENT

4.1 Novelis shall pay to Alcan an administrative fee in the amount of US\$1 for each tonne of Commodity referenced in a Confirmation. Such administrative fee shall be paid on the second Business Day in each calendar month in respect of all Confirmations issued during the immediately preceding calendar month.

4.2 All payments under Section 3.2, and all payments to Alcan under Section 4.1, shall be paid to the recipient by wire transfer to the account specified by notice from the recipient to the other Party from time to time.

-6-

4.3 If (i) the Payment Dates for two or more Transactions shall fall on the same day and (ii) each Party is required to pay an amount under such Transactions, then such amounts with respect to each Party shall be aggregated and the Party obligated to pay the larger aggregate amount will be obligated to pay on the Payment Date to the other Party the excess of the larger aggregate amount over the smaller aggregate amount.

5. NOVELIS OBLIGATIONS

- 5.1 Novelis hereby undertakes to obtain quotations for services hereunder from Alcan prior to entering into forward price agreements with third-party customers.
- 5.2 Novelis hereby undertakes to enter into Transactions hereunder, and to cause each relevant member of Novelis Group to enter into Transactions hereunder, only as principal and pursuant to back-to-back agreements with third-party customers. In no event shall Novelis or any other member of Novelis Group enter into Transactions hereunder for speculative purposes.
- 5.3 Novelis undertakes to give Alcan access to the OHS System as and when requested by Alcan.
- 5.4 Novelis hereby undertakes to:
- 5.4.1 maintain detailed records of all contracts with third-party customers and to make the details of such contracts available to Alcan upon request;
  - 5.4.2 maintain detailed records of all Transactions with Alcan;
  - 5.4.3 sign and return each Confirmation received from Alcan within two Business Days of its issuance; and
  - 5.4.4 provide a certificate on the first day of each calendar quarter, signed by the Chief Executive Officer and Chief Financial Officer of Novelis, certifying compliance by Novelis and each member of its group with their respective obligations hereunder, including those set forth in this Article 5, and under each of their material agreements for borrowing of money.
- 5.5 Novelis hereby acknowledges that the service provided herein will only be available if market conditions allow it.

6. ALCAN'S OBLIGATIONS

- 6.1 Alcan hereby undertakes to provide quotations hereunder to Novelis in a timely manner and to that effect have employees available for quotations and Transactions between 8:30 a.m. CET and 4:00 p.m. EST on days LME is open for business.
- 6.2 On or about the 15th day of each month, Alcan will send to Novelis by e-mail or fax the list of Transactions to be unwound in the current month. Such list will include the name of the appropriate Novelis Group member, the Quantity hedged, the Reference Price and any other information agreed by the Parties.

-7-

- 6.3 At the latest on the second Business Day following receipt by Novelis of the list mentioned in Section 6.2, Novelis shall confirm that the information provided is in line with Novelis' position and, if necessary, will identify all discrepancies. If Novelis does not respond to the list as contemplated herein, it shall be deemed to have approved said list.
- 6.4 On or about the last Business Day of each month, Alcan will send to the Novelis Shared Service Centre, in Goettingen (Germany) an Excel spread sheet setting forth the calculation of the positions to be unwound with respect to each Novelis Group member. In the absence of manifest errors, all calculations made by Alcan shall be final and conclusive evidence of the amounts payable by Novelis.

7. VOLUME LIMITS AND MARKET DISRUPTION

- 7.1 The Parties hereby agree that notwithstanding any other terms and conditions of this Agreement, they shall enter into Transactions hereunder in respect of no more than \*\*\* metric tonnes of aluminum in the aggregate over the Term of the Agreement.
- 7.2 If Alcan determines in good faith that a Market Disruption Event has occurred, Alcan may, by notice to Novelis, cause all outstanding Transactions to be terminated immediately and settled on the basis of quotations from Reference Market-makers.
- 7.3 Each quotation referred to in Section 7.2 will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party and the quoting Reference Market-maker to enter into a transaction (the "REPLACEMENT TRANSACTION") that would have the effect of preserving for such party the economic equivalent of

any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) in respect of such terminated Transactions. For this purpose, unpaid amounts in respect of the terminated Transactions are to be excluded but, without limitation, any payment or delivery that would have been required (assuming satisfaction of each applicable condition precedent) after that early termination date is to be included. The Replacement Transaction shall be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree upon. Alcan will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant early termination date. The day and time as of which those quotations are to be obtained will be selected in good faith by Alcan. The market quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded.

7.4 Any amount payable by one party to the other following the quotations process contemplated by Section 7.3 above shall be paid no later than the second Business Day following the completion of said quotations process.

\*\*\* Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

-8-

## 8. ASSIGNMENT

No Party shall assign or transfer this Agreement, in whole or in part, or any interest or obligation arising under this Agreement, without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion.

## 9. TERMINATION

9.1 This Agreement may be terminated in its entirety immediately at the option of a Party (the "TERMINATING PARTY"), in the event that an Event of Default occurs in relation to another Party (the "DEFAULTING PARTY"), and such termination shall take effect immediately upon the Terminating Party providing notice to the Defaulting Party of the termination.

For the purposes of this Agreement, each of the following shall individually and collectively constitute an "EVENT OF DEFAULT" with respect to a Party:

9.1.1 such Party defaults in payment of any payments which are due and payable by it pursuant to this Agreement, and such default is not cured within thirty (30) days following receipt by the Defaulting Party of notice of such default;

9.1.2 such Party breaches any of its material obligations pursuant to this Agreement (other than as set out in paragraph 9.1.1 above), and fails to cure it within thirty (30) days after receipt of notice from the Terminating Party specifying the default in reasonable detail and demanding that it be rectified, provided that if such breach is not capable of being cured within thirty (30) days after receipt of such notice and the Defaulting Party has diligently pursued efforts to cure the default within the thirty (30) day period, no Event of Default under this paragraph 9.1.2 shall occur;

9.1.3 such Party breaches any representation or warranty, or fails to perform or comply with any covenant, provision, undertaking or obligation in or of the Separation Agreement; or

9.1.4 such Party (i) is bankrupt or insolvent or takes the benefit of any statute in force for bankrupt or insolvent debtors, or (ii) files a proposal or takes any action or proceeding before any court of competent jurisdiction for its dissolution, winding-up or liquidation, or for the liquidation of its assets, or a receiver is appointed in respect of its assets, which order, filing or appointment is not rescinded within sixty (60) days.

9.2 As at the date specified in the notice given by the Terminating Party, all outstanding Transactions shall be terminated and the amounts payable by Novelis shall be determined and paid in accordance with Sections 7.2 and 7.3 mutatis mutandis.



10. DISPUTE RESOLUTION

The Master Agreement with Respect to Dispute Resolution, effective on the Agreement Effective Date, among the Parties and other parties thereto shall govern all disputes,

-9-

controversies or claims (whether arising in contract, delict, tort or otherwise) between the Parties that may arise out of, or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby), or the commercial or economic relationship of the Parties relating hereto or thereto.

11. MISCELLANEOUS

- 11.1 Construction. The rules of construction and interpretation set forth in Section 16.04 of the Separation Agreement shall apply to this Agreement.
- 11.2 Confidentiality: The exchange of information and confidentiality provisions set forth in Article XI of the Separation Agreement shall apply to this Agreement (as if such Article was set out in full herein).
- 11.3 Payment Terms. Save as expressly provided in Sections 2, 3, 4 and 6 and unless otherwise indicated, any amount to be paid or reimbursed by one Party to the other under this Agreement shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefor and setting forth, or accompanied by, reasonable documentation or reasonable explanation supporting such amount.
- 11.4 Notices. Except as provided for in Section 2.1, all notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) on the date of delivery if delivered personally, (b) on the first Business Day following the date of dispatch if delivered by a nationally recognized next-day courier service, (c) on the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid or (d) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone. All notices hereunder shall be delivered as follows:

IF TO ALCAN, TO:  
Alcan Inc.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2  
Fax: (514) 848-8115  
Attention: Chief Legal Officer

-10-

IF TO NOVELIS, TO:  
Novelis Inc.  
Suite 3800  
Royal Bank Plaza, South Tower  
P.O. Box 84  
200 Bay Street  
Toronto, Ontario  
M5J 2Z4  
  
Fax: (416) 216-3930  
Attention: Chief Executive Officer

Any Party may, by notice to the other Party, change the address or fax number to which such notices are to be given.

- 11.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein, irrespective of conflict of laws principles under Quebec law, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.
- 11.6 Entire Agreement. This Agreement and the exhibits, schedules, annexes and appendices hereto and the specific agreements contemplated herein, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject

matter hereof other than those set forth or referred to herein.

- 11.7 Conflicts. In case of any conflict or inconsistency between this Agreement and the Separation Agreement, this Agreement shall prevail. In case of any conflict or inconsistency between the terms and conditions of this Agreement and the terms of any Confirmation, the provisions of the Confirmation shall prevail.
- 11.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.
- 11.9 Survival. The obligations of the Parties under Sections 7, 10 and 11 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.
- 11-
- 11.10 Execution in Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.
- 11.11 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.
- 11.12 Waivers. No failure on the part of a Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by Applicable Law.
- 11.13 No Partnership. Nothing contained herein or in the Agreement shall make a Party a partner of any other Party and no Party shall hold out the other as such.
- 11.14 Limitations of Liability. Except as otherwise provided herein, neither Party shall be liable to the other Party for any indirect, collateral, incidental, special, consequential or punitive damages arising in any way out of this Agreement; provided, however, that the foregoing limitations shall not limit any Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article IX of the Separation Agreement, (as if such Article was set out in full herein by reference to the obligations of the Parties hereunder).
- 11.15 Language. The Parties hereto have required that this Agreement and all deeds, documents and notices relating hereto be written in English. Les parties aux presentes ont exige que le present contrat et tout autre acte, document et avis y afferant soient rediges en anglais.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

-12-

IN WITNESS WHEREOF, the Parties have caused this Master Metal Hedging Agreement to be executed by their duly authorized representatives.

ALCAN INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:

Title:

NOVELIS INC.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ALCAN

Alcan Inc.

[ALCAN LOGO]

1188, rue Sherbrooke Ouest	Address postal:	Tel. : (514) 848-8000
Montreal (Quebec) H3A 3G2	C.P. 6090	Telec. : (514) 848-8115
Canada	Montreal (Quebec) H3C 3A7	www.alcan.com
	Canada	

CONFIDENTIAL PERSONAL INFORMATION

December 16, 2004

Mr. Brian Sturgell  
1 Summer Island Lane  
Kiawah Island, SC 29455  
U.S.A.

Dear Brian,

I am very pleased to confirm your appointment as President and Chief Executive Officer of Novelis. This is a truly exciting opportunity, possibly a once in a lifetime opportunity, to lead and create a brand new company. We all wish you and your team the greatest of success in this endeavor and are looking forward to seeing you achieve that.

This letter addresses the specific terms and conditions of your offer recognizing that in conjunction with the Novelis Board, some of these may be modified as you begin to better align terms and conditions with the needs of Novelis.

POSITION TITLE

I am pleased to confirm the title of President and Chief Executive Officer, Novelis Inc.

EMPLOYMENT DATE

Your appointment in this role will commence immediately following the spin off of Novelis. We continue to believe that this will occur on schedule around year-end.

RECOGNITION OF ALCAN SERVICE

Novelis will recognize Alcan and predecessor company service for the purposes of eligibility and accrual of Novelis benefits.

BASE SALARY

Your base salary will be US\$985,000.00 This salary recommendation was arrived at following a review by Towers Perrin of similar positions in similar sized organizations and has been approved by the Human Resources Committee of the Board of Directors.

EXECUTIVE PERFORMANCE AWARD 2004

Your participation in the 2004 Alcan Executive Performance Award plan will continue uninterrupted to year-end at your existing Alcan job grade and will be paid in the same timeframe and manner as you have experienced in the past.

EXECUTIVE PERFORMANCE AWARD 2005

Novelis will institute a short-term incentive program for the 2005 plan year conceptually similar to the existing Alcan plan. It is possible that the financial metrics will be adjusted to better fit the new business. The target guideline for your job grade 59 is 100%.

Page 2 of 3

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE PLAN

Your participation in the Alcan TSR program will be terminated at the date of spin-off. Your accrued entitlement in this plan (Cycle 1 & Cycle 2) will be converted into Novelis Restricted Stock Units the day after the spin-off. These will become fully vested on 1 October 2005 for cycle 1 and 1 October 2006 for cycle 2.

STOCK OPTIONS

Your current Alcan share options will be converted to Novelis share options at the time of spin-off so that the intrinsic value of your current Alcan stock options as at the spin-off date is preserved. All outstanding options will be converted and those that are vested will continue to be vested. Any that are unvested will vest in 4 equal installments on the anniversary of the spin date on each of the next four years.

As you are aware, Novelis will introduce a Long Term Incentive Program, the

details of which will require the approval of its Board of Directors, in which you will be entitled to participate to a level determined by the Novelis Board.

Alcan options vest based upon performance of Alcan stock with the performance goals established to reflect Alcan's stock past performance. Novelis being a new company has no past performance and therefore performance vesting is not possible.

U.S. DEFERRED COMPENSATION PLAN

Alcan will maintain your deferred compensation account (if any) which will continue to be subject to the elections that you have made previously. There are no plans to create a deferred compensation plan within Novelis at the point of the spin-off.

CHANGE IN CONTROL AGREEMENT

Your Change in Control agreement with Alcan will be cancelled at the date of spin-off and be replaced by a Novelis agreement with similar terms and provisions.

BENEFIT PLANS

Your participation in the Alcan retirement and health and welfare benefit plans will continue up to the point of the spin-off. Novelis will adopt plans with provisions for the most part similar to those currently in effect within Alcan.

MISCELLANEOUS PLANS

Participation in other plans (e.g. Flexperks, Auto, and Executive Physical Exams) will continue as they exist today.

PENSION

Your participation in the Alcan Pension Plan for Officers (APPO) will terminate at the date of spin-off. Novelis will adopt a plan, the Novelis Pension Plan for Officers (NPPO), with provisions for the most part, identical to those of the APPO. Your benefits accrued under the APPO will be transferred to the NPPO which shall recognize your service and earnings as officer with Alcan.

Your membership in the AlcanCorp Pension Plan (ACPP) will be maintained and the plan will be amended in 2005 to recognize service with Novelis for the transferred employees. Following this period it is anticipated that Novelis will provide a replacement plan that provides in the aggregate broadly equivalent benefits.

Page 3 of 3

Please sign this offer and return it to me at your earliest convenience.

I wish the very best of success in your challenging and exciting new role.

Yours truly,

/s/ Travis

-----  
Travis

Accepted by /s/ Brian Sturgell

date

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[NOVELIS LOGO]

[ALCAN LOGO]

November 8, 2004

Ms. Martha Finn Brooks  
Alcan Rolled Products Americas and Asia  
6060 Parkland Blvd.  
Cleveland, OH 44124

Dear Martha,

This offer of employment represents another truly exciting and historic step along the path in the creation of Novelis Inc. This is, in fact, the first instance where the Alcan and Novelis names and logos have appeared together. As one of the key leaders who will have a direct impact on this new company, I trust you are as enthused as I am about this opportunity. Unlike anything we have been involved with in the past, this is truly a once in a career event, and we need to recognize and capitalize off the fabulous chance that we are being given.

In this letter I will address the specific terms and conditions of your offer, however, there are a few key points that I would like to bring to your attention first. Please recall that it is the fiduciary responsibility of the Alcan Board of Directors to establish the preliminary terms and conditions of employment for Novelis. For the most part, this means that what exists at present within Alcan, in the form of programs and benefits, will continue through the transition from Alcan to Novelis. Following the completion of the spin in 2005, we will be reviewing the full array of employee compensation and benefit offerings to custom fit these to our new business. You will be fully engaged as we go through this process.

For these reasons I will not go through a complete review of those things being cloned or replicated from Alcan, but rather will touch on significant points and those things that involve a change.

POSITION TITLE

I am please to confirm the offer of Chief Operating Officer with Novelis Inc.

EMPLOYMENT DATE

This offer is obviously predicated on the spin being completed and the creation of Novelis. We continue to believe that this will occur on schedule around year-end. That being the case, this offer would become effective January 1, 2005.

RECOGNITION OF ALCAN SERVICE

Novelis will recognize Alcan and predecessor company service for the purposes of vacation and any other plan where service is used in providing a benefit.

BASE SALARY

Your base salary will be adjusted to \$655,000.00. This salary recommendation was arrived at following a review by Towers Perrin of similar positions in comparably sized organizations. This was reviewed by Alcan's management and approved by the Human Resources Committee of the Board of Directors. While further analysis will be conducted, it does give us a starting point from

Page 2 of 3

which to develop our cash compensation model. Using the Alcan salary scale, this position has been set at an equivalent of job grade 55.

EXECUTIVE PERFORMANCE AWARD 2004

Your participation in the 2004 Executive Performance Award plan continues uninterrupted to year-end at your existing Alcan job grade and will be paid out in the same timeframe and manner as you have experienced in the past.

EXECUTIVE PERFORMANCE AWARD 2005

Novelis will institute a short-term incentive program for the 2005 plan year conceptually similar to the existing Alcan plan. It is possible that the financial metrics will be adjusted to better fit the new business. The target

guideline for job grade 55 is 90%. More information will be forthcoming on this as it is developed.

#### TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE PLAN

Your participation in the Alcan TSR program will be terminated on the date of the spin-off. You will have noted in the 2004 Long Term Incentive (LTI) program, the normal 50% TSR portion was issued in the form of share options.

Discussions continue to determine the most equitable way to handle TSR tranches 1 (2002) and 2 (2003) for the Novelis employees. You will be informed as soon as a final conclusion is reached on this.

Novelis will be instituting a Long Term Incentive Program (LTI) the details of which will require approval of the Board of Directors for the new company. More information about the new program will be shared when information becomes available.

#### SHARE OPTIONS

Your current Alcan share options will be converted to Novelis share options based on the total value of the Alcan stock options and the time of spin-off. That is, the number of Novelis share options to you will be adjusted to preserve the value of your current Alcan stock options on the date of the spin-off.

#### U.S. DEFERRED COMPENSATION PLAN

Alcan will maintain your deferred compensation account and be subject to the elections that you made. Given the nature of this plan, there is no plan to create a deferred compensation plan within Novelis at the point of the spin-off. This will be reviewed in due course.

#### CHANGE IN CONTROL AGREEMENT

You currently have a Change in Control document covering this transaction.

#### BENEFIT PLANS

Your participation in the Alcan retirement and health and welfare benefit plans will continue up to the point of spin. Novelis will adopt plans with provisions for the most part identical to those currently in effect within Alcan.

#### MISCELLANEOUS PLANS

Participation in other plans (e.g. Flexperks, Auto, Executive Physical Exams) will continue as they exist today.

#### PENSION

Further to the commitment made in your offer of employment with Alcan (letter dated-2 May 2002), the following conditions will apply. Novelis will guarantee that your qualified and non-qualified pension benefits from Alcan, Cummins, and any Novelis successor pension plan (including the pension equivalent of any lump sum payments) will not be less than the pension benefit that you would have received had you been covered by the Cummins Pension Plan from

Page 3 of 3

16 October 1986 until your termination/retirement from Novelis ("Minimum Benefit"). This minimum benefit will be based on the provisions of the Cummins Pension Plan that was in effect on your Alcan starting date (1 August 2002) and your pensionable earnings as of 1 August 2002 (defined as base salary plus 50% target bonus salary with the Cummins Company) with a 5% increase for each year of combined Alcan and Novelis service.

Novelis will pay (either as pension or lump sum) the value of the difference between this Minimum Benefit and the pensions you actually receive from Novelis, Alcan, and Cummins Company (including the pension equivalent of any lump sum payments.)

As part of the process I would ask that you sign this offer and return it to me at your earliest convenience. I look forward to the challenges that we will face together and turn into successes.

Yours truly,

/s/ Brian W. Sturgell

Brian Sturgell

Chief Executive Officer

Accepted by Martha F. Brooks\*  
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date Nov. 9, 2004  
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[NOVELIS LOGO]

[ALCAN LOGO]

November 8, 2004

Mr. Pierre Arseneault  
Alcan Rolled Products Americas and Asia  
6060 Parkland Blvd.  
Cleveland, OH 44124

Dear Pierre,

This offer of employment represents another truly exciting and historic step along the path in the creation of Novelis Inc. This is, in fact, the first instance where the Alcan and Novelis names and logos have appeared together. As one of the key leaders who will have a direct impact on this new company, I trust you are as enthused as I am about this opportunity. Unlike anything we have been involved with in the past, this is truly a once in a career event, and we need to recognize and capitalize off the fabulous chance that we are being given.

In this letter I will address the specific terms and conditions of your offer, however, there are a few key points that I would like to bring to your attention first. Please recall that it is the fiduciary responsibility of the Alcan Board of Directors to establish the preliminary terms and conditions of employment for Novelis. For the most part, this means that what exists at present within Alcan, in the form of programs and benefits, will continue through the transition from Alcan to Novelis. Following the completion of the spin in 2005, we will be reviewing the full array of employee compensation and benefit offerings to custom fit these to our new business. You will be fully engaged as we go through this process.

For these reasons I will not go through a complete review of those things being cloned or replicated from Alcan, but rather will touch on significant points and those things that involve a change.

POSITION TITLE

I am pleased to confirm the offer of Vice President, Strategic Planning and Information Technology with Novelis Inc.

EMPLOYMENT DATE

This offer is obviously predicated on the spin being completed and the creation of Novelis. We continue to believe that this will occur on schedule around year-end. That being the case, this offer would become effective January 1, 2005.

RECOGNITION OF ALCAN SERVICE

Novelis will recognize Alcan and predecessor company service for the purposes of vacation and any other plan where service is used in providing a benefit.

BASE SALARY

Your base salary will be \$300,000.00. While your position has yet to be formally evaluated, your compensation will be administered at a personal job grade 47.

PAGE 2 of 3

EXECUTIVE PERFORMANCE AWARD 2004

Your participation in the 2004 Executive Performance Award plan continues uninterrupted to year-end at your existing Alcan job grade and will be paid out in the same timeframe and manner as you have experienced in the past.

EXECUTIVE PERFORMANCE AWARD 2005

Novelis will institute a short-term incentive program for the 2005 plan year conceptually similar to the existing Alcan plan. It is possible that the financial metrics will be adjusted to better fit the new business. The target guideline for job grade 47 is 55%. More information will be forthcoming on this as it is developed.

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE PLAN



[NOVELIS LOGO]

November 8, 2004

Mr. Geoffrey Batt  
Alcan Rolled Products Americas and Asia  
6060 Parkland Blvd.  
Cleveland, OH 44124

Dear Geoff,

This offer of employment represents another truly exciting and historic step along the path in the creation of Novelis Inc. This is, in fact, the first instance where the Alcan and Novelis names and logos have appeared together. As one of the key leaders who will have a direct impact on this new company, I trust you are as enthused as I am about this opportunity. Unlike anything we have been involved with in the past, this is truly a once in a career event, and we need to recognize and capitalize off the fabulous chance that we are being given.

In this letter I will address the specific terms and conditions of your offer, however, there are a few key points that I would like to bring to your attention first. Please recall that it is the fiduciary responsibility of the Alcan Board of Directors to establish the preliminary terms and conditions of employment for Novelis. For the most part, this means that what exists at present within Alcan, in the form of programs and benefits, will continue through the transition from Alcan to Novelis. Following the completion of the spin in 2005, we will be reviewing the full array of employee compensation and benefit offerings to custom fit these to our new business. You will be fully engaged as we go through this process.

For these reasons I will not go through a complete review of those things being cloned or replicated from Alcan, but rather will touch on significant points and those things that involve a change.

POSITION TITLE

I am please to confirm the offer of Chief Financial Officer with Novelis Inc.

EMPLOYMENT DATE

This offer is obviously predicated on the spin being completed and the creation of Novelis. We continue to believe that this will occur on schedule around year-end. That being the case, this offer would become effective January 1, 2005.

RECOGNITION OF ALCAN SERVICE

Novelis will recognize Alcan and predecessor company service for the purposes of vacation and any other plan where service is used in providing a benefit.

BASE SALARY

Your base salary will be adjusted to \$460,000.00. This salary recommendation was arrived at following a review by Towers Perrin of similar positions in comparably sized organizations. This was reviewed by Alcan's management and approved by the Human Resources Committee of the Board of Directors. While further analysis will be conducted, it does give us a starting point from

Page 2 of 3

which to develop our cash compensation model. Using the Alcan salary scale, this position has been set at an equivalent of job grade 51.

EXECUTIVE PERFORMANCE AWARD 2004

Your participation in the 2004 Executive Performance Award plan continues uninterrupted to year-end at your existing Alcan job grade and will be paid out in the same timeframe and manner as you have experienced in the past.

EXECUTIVE PERFORMANCE AWARD 2005

Novelis will institute a short-term incentive program for the 2005 plan year conceptually similar to the existing Alcan plan. It is possible that the

financial metrics will be adjusted to better fit the new business. The target guideline for job grade 51 is 75%. More information will be forthcoming on this as it is developed.

#### TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE PLAN

Your participation in the Alcan TSR program will be terminated on the date of the spin-off. You will have noted in the 2004 Long Term Incentive (LTI) program, the normal 50% TSR portion was issued in the form of share options.

Discussions continue to determine the most equitable way to handle TSR tranches 1 (2002) and 2 (2003) for the Novelis employees. You will be informed as soon as a final conclusion is reached on this.

Novelis will be instituting a Long Term Incentive Program (LTI) the details of which will require approval of the Board of Directors for the new company. More information about the new program will be shared when information becomes available.

#### SHARE OPTIONS

Your current Alcan share options will be converted to Novelis share options based on the total value of the Alcan stock options and the time of spin-off. That is, the number of Novelis share options to you will be adjusted to preserve the value of your current Alcan stock options on the date of the spin-off.

#### U.S. DEFERRED COMPENSATION PLAN

Alcan will maintain your deferred compensation account and be subject to the elections that you made. Given the nature of this plan, there is no plan to create a deferred compensation plan within Novelis at the point of the spin-off. This will be reviewed in due course.

#### CHANGE IN CONTROL AGREEMENT

A Change in Control Agreement has been prepared for you to relieve any personal uncertainties you may have stemming out of the transaction such that you can focus 100% of your effort on making this venture successful. This agreement will be provided to you under separate cover.

#### BENEFIT PLANS

Your participation in the Alcan retirement and health and welfare benefit plans will continue up to the point of spin. Novelis will adopt plans with provisions for the most part identical to those currently in effect within Alcan.

#### MISCELLANEOUS PLANS

Participation in other plans (e.g. Flexperks, Auto, Executive Physical Exams) will continue as they exist today.

#### PENSION

You are currently receiving a monthly pension from both the Alcan Pension Plan Canada (APP) (US\$7,210 per month) and the AlcanCorp Pension Plan (ACPP) (\$312 per month) for a total

Page 3 of 3

pension of \$7,522 per month or \$90,261 per year. As a rehired retiree, you will continue to receive your monthly pension benefits, but you will be excluded from joining APP or ACPP.

In addition, you will be eligible for a supplemental retirement benefit based on your service with Novelis and for as long as Novelis retains a defined benefit pension plan. In the event and for the period of time that Novelis institutes a defined contribution or alternate pension plan not deemed to be a defined benefit plan, you will be eligible to participate in that plan.

As part of the process I would ask that you sign this offer and return it to me at your earliest convenience. I look forward to the challenges that we will face together and turn into successes.

Yours truly,

/s/ Brian Sturgell

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Brian Sturgell  
Chief Executive Officer

Accepted by Geoffrey P. Batt  
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date 8 Nov 2004  
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CHANGE OF CONTROL AGREEMENT made as of the 2004, between:

ALCAN INC., a corporation incorporated under the laws of Canada with its registered office at 1188 Sherbrooke Street West, Montreal, Quebec, Canada H3A 3G2 ("Alcan");

MR. .... (the "Executive").

WHEREAS, Alcan has announced its intention to spin off its Rolled Products Business (as hereinafter defined) to Novelis Inc. in the manner described in Alcan's current Form 10 registration statement filed with the Securities Exchange Commission;

WHEREAS, the Executive has been identified as a key member of the Rolled Products Business and is expected to transfer employment to Novelis Inc. in the role of XXX;

WHEREAS Alcan acknowledges that the spin off or any other transaction in replacement thereof that would result in a change of control of all or substantially all of the Rolled Products Business, with the attendant uncertainties and risks, may result in the departure or distraction of key employees to the detriment of Alcan;

WHEREAS, Alcan has determined that it is appropriate to take steps to induce key employees to remain as such, and to reinforce and encourage their continued attention and dedication, when faced with the uncertainty surrounding the said transfer of control; and

WHEREAS Alcan will, as a condition of the change of control of the Rolled Products Business, cause the acquirer to assume all liability for the undertakings to the Executive in this Agreement beginning from the date of the said change of control.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

1. DEFINITIONS

"Rolled Products Business" shall mean the majority of Alcan's rolled products assets and certain alumina and primary metal related assets in Brazil, substantially as detailed in Alcan's current Form 10 registration statement filed with the Securities Exchange Commission, and shall include where appropriate shares in relevant subsidiaries.

"Acquirer" shall mean the acquirer of the Rolled Products Business from Alcan, which Acquirer may at the time of the Change of Control be a subsidiary of Alcan or an independent third party (including Novelis Inc.);

"Change of Control" shall mean the transfer, by sale or otherwise, of the Rolled Products Business by Alcan to the Acquirer.

1

"Date of Termination" with respect to any purported termination of the Executive's employment after a Change of Control, shall mean the date specified in the notice of termination. In the case of a termination by the Employer, the Date of Termination shall not be less than 30 days after the Change of Control except in the case of a termination for Cause, which shall be the date specified in the notice of termination. In the case of a termination by the Executive for Good Reason, the Date of Termination shall not be earlier than 90 days after the Change of Control.

"Employer" shall mean the employer of the Executive at the time of his or her Date of Termination;

"Special Termination Indemnity Payment" shall mean an amount equal to 24 months of the Executive's total cash compensation (i.e. base salary plus EPA Guideline amount) in effect on the date of termination of employment;

"Termination for Good Reason" refers to a termination of employment by the Executive within 90 days after the occurrence of the Good Reason event, failing which such event shall not constitute Good Reason under this Agreement. For purposes of this Agreement, "Good Reason" shall mean the occurrence or failure to cause the occurrence of any of the following events without the Executive's express written consent:

- (i) any material diminution in the Executive's duties, responsibilities or authority (except in each case in connection with the termination of the Executive's employment for Cause or temporarily as a result of the

Executive's illness or other excusable absence);

- (ii) a reduction in the Executive's annual base salary rate;
- (iii) a relocation of the Executive's principal business location to an area outside the country of the Executive's principal business location at the time of the Change of Control;
- (iv) a failure by the Employer after a Change of Control to continue any annual Executive Performance Award Plan, program or arrangement in which the Executive is then entitled to participate (the "Bonus Plans"), provided that any such plan(s) may be modified at the Employer's discretion from time to time but shall be deemed terminated if (x) any such plan does not remain substantially in the form in effect prior to such modification and (y) if plans providing the Executive with substantially similar benefits are not substituted therefor ("Substitute Plans"), or a failure by the Employer to continue the Executive as a participant in the Bonus Plans and Substitute Plans on at least the same basis as to potential amount of the bonus and the achievability thereof as the Executive participated immediately prior to any change in such plans of awards, in accordance with the Bonus Plans and the Substitute Plans;
- (v) a failure to permit the Executive after the Change of Control to participate in cash or equity based long-term incentive plans and programs other than Bonus Plans on a basis providing the Executive in the aggregate with an annualized award value in each fiscal year after the Change of Control at least equal to the aggregate annualized award value being provided by the employer to the Executive under such incentive plans and programs immediately prior to the Change of Control (with any awards intended not to be repeated on an annual basis allocated over the years the awards are intended to cover);
- (vi) the failure by the Employer to continue in effect any material employee benefit program such as a saving, pension, excess pension, medical, dental, disability, accident, life insurance plan or a relocation plan or policy or any other material plan, program, perquisite or policy of the Employer intended to benefit the Executive in which the Executive is participating at the time of a Change of Control (or programs providing the Executive with at least substantially similar benefits) other than as a result of the normal

2

expiration of any such employee benefit program in accordance with its terms as in effect at the time of a Change of Control, or taking of any action, or the failure to act, by the employer which would adversely affect the executive's continued participation in any of such employee benefit programs on at least as favourable a basis to the Executive as is the case on the date of a Change of Control; or which would materially reduce the Executive's benefits in the future under any of such employee benefit programs or deprive him or her of any material benefit enjoyed by the Executive at the time of a Change of Control;

- (vii) a material breach by the Employer of any other written agreement with the Executive that remains uncured for 21 days after written notice of such breach is given to the Employer; or
- (viii) failure of any successor Employer to assume in a writing delivered to the Executive the obligations hereunder within 21 days after written notice by the Executive.

"Termination for Cause" shall mean:

- (i) the failure by the Executive to attempt to substantially perform his or her duties and responsibilities with regard to the Employer or any affiliate (other than any such failure resulting from the Executive's incapacity due to physical or mental illness) after demand for substantial performance is delivered by Employer that specifically identifies the manner in which the Employer believes the Executive has failed to attempt to substantially perform his or her duties and responsibilities and a reasonable time for the Executive to correct or remedy;
- (ii) the willful engaging by the Executive in misconduct in connection with the Employer or its business which is materially injurious to the Employer monetarily or otherwise; or
- (iii) any misappropriation or fraud with regard to the Employer or any of the assets of the Employer (other than good faith expense account disputes).

For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him or

her not in good faith and without reasonable belief that his or her action or omission was in the best interests of the Employer. In the event that the Executive alleges that the failure to attempt to perform his or her duties and responsibilities is due to a physical or mental illness, and thus not "Cause", the Executive shall be required to furnish the Employer with a written statement from a licensed physician who is reasonably acceptable to the Employer which confirms the Executive's inability to attempt to perform due to such physical or mental illness. A termination for Cause after a Change of Control shall be based only on events occurring after such Change of Control; provided, however, the foregoing limitation shall not apply to an event constituting Cause which was not discovered by the Employer prior to a Change of Control.

3

2. ALCAN'S UNDERTAKINGS TO THE EXECUTIVE UPON CHANGE OF CONTROL

2.1 The term of Alcan's undertakings as set out hereunder shall commence on the date of this Agreement and shall expire, unless previously terminated as provided herein, on the earliest of:

- (a) 24 months after the date of Change of Control;
- (b) the date of the Executive's death;
- (c) the date of the Executive's retirement;
- (d) the day following the termination of the Executive's employment for any other reason; or
- (e) 30 June 2005, in the event that no Change of Control has taken place.

2.2 Alcan shall cause the Acquirer to assume all liability for the undertakings to the Executive as a condition of the Change of Control. If the Executive's employment with Alcan, the Acquirer or a subsequent acquirer of the Rolled Products Business is terminated during the above-stated term:

- (a) by the Employer by reason other than for Cause; or
- (b) by the Executive for Good Reason,

the Executive shall be entitled to the Special Termination Indemnity Payment from Alcan.

3. EXECUTIVE'S UNDERTAKINGS TO ALCAN

The Executive, as an executive of Alcan, undertakes (i) to act in good faith and cooperate reasonably with a view to the completion of the Change of Control of the Rolled Products Business in the best interests of Alcan as a whole as determined by the Alcan Board of Directors, including in respect of any subsequent spin-off or other transaction, (ii) to conduct himself or herself as an employee of Alcan and use his or her influence as an executive so that the interests of Alcan as a whole are fairly protected and well-managed in a manner consistent with past practice until such time as Alcan spins off or otherwise transfers the Rolled Products Business, (iii) to conduct himself or herself so as to facilitate the due exercise by the Alcan Board of Directors of the fiduciary and other duties to which it is bound in the context of the said transaction, and (iv) to facilitate the transfer of Alcan's obligations under this Agreement to the Acquirer or to a subsequent acquirer of the Rolled Products Business.

4. OTHER PROVISIONS

4.1 No Duty to Mitigate/Set-off. Alcan agrees that if the Executive's employment is terminated pursuant to this Agreement other than for Cause during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by Alcan pursuant to this Agreement. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive or benefit provided to the Executive as the result of employment by another employer.

4

Alcan's obligations to perform its obligations hereunder shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, defense or other right which Alcan may have



against the Executive.

- 4.2 References to Subsidiaries. For purposes of this Agreement, unless the context otherwise requires, references to Alcan or to the Acquirer shall include as appropriate references to one or more of their respective subsidiaries (as "subsidiary" is defined in the Canada Business Corporations Act).
- 4.3 Confidentiality and Non-Competition Undertakings. Without prejudice to any other confidentiality undertakings or obligations by which the Executive may be bound in favour of Alcan, the Executive shall not at any time during the term of this Agreement, or thereafter, directly or indirectly, for any reason whatsoever, communicate or disclose to any unauthorized person, firm or corporation, or use for the Executive's own account, any proprietary processes, trade secrets or other confidential data or information of Alcan and their respective related and affiliated companies concerning their businesses or affairs, accounts, products, services or customers, it being understood, however, that these obligations shall not apply to the extent that the aforesaid matters (i) are disclosed in circumstances in which the Executive is legally required to do so, or (ii) become known to and available for use by the public other than by the Executive's wrongful act or omission. The provisions of this paragraph shall survive and remain in effect notwithstanding the termination of this Agreement and the termination of the Executive's employment.
- 4.4 Successors - Binding Agreement. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors and heirs. If the Executive shall die after termination of his or her employment while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate. This Agreement is personal to the Executive and neither this Agreement nor any rights hereunder may be assigned by the Executive.
- 4.5 Severability. If any provisions of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.
- 4.6 Legal Fees. In the event Alcan does not make the payments due hereunder on a timely basis and the Executive collects any part or all of the payments provided for hereunder or otherwise successfully enforces the terms of this Agreement by or through legal counsel, Alcan shall pay all costs of such collection or enforcement, including reasonable legal fees and other reasonable fees and expenses which the Executive may incur. Alcan shall pay to the Executive interest at the prime lending rate as announced from time to time by Royal Bank of Canada on all or any part of any amount to be paid to Executive hereunder that is not paid when due. The prime rate for each calendar quarter shall be the prime rate in effect on the first day of the calendar quarter.
- 4.7 Non-Exclusivity of rights. Except as otherwise specifically provided therein, (i) nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in

5

any benefit, bonus, incentive, equity or other plan or program provided by Alcan and for which the Executive may qualify, nor (ii) shall anything herein limit or otherwise prejudice such rights as the Executive may have under any other currently existing plan, agreement as to employment or severance from employment with or the Employer or statutory entitlements. Amounts that are vested benefits or which the Executive is otherwise entitled to receive under any plan or program, at or subsequent to the date of termination shall be payable in accordance with such plan or program, except as otherwise specifically provided herein.

- 4.8 Not an Agreement of Employment. This is not an agreement assuring employment and Alcan reserves the right to terminate the Executive's employment at any time with or without cause, subject to the provisions hereof.
- 4.9 Interpretation. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by the parties. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement constitutes the entire agreement

between the parties hereto pertaining to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement or the Employment Agreement. All references to any law shall be deemed also to refer to any successor provisions to such laws.

4.10 Governing Law. This Agreement shall be construed, interpreted, and governed in accordance with the laws of the Province of Quebec.

4.11 English Language. The parties hereto declare that they require that this Agreement and any related documents be drawn up and executed in English. Les parties déclarent qu'elles requierent que cette convention ainsi que tous documents relatifs a cette convention soient rediges et executes en anglais.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first set forth above.

ALCAN INC.

By: \_\_\_\_\_

[NAME OF EXECUTIVE]  
\_\_\_\_\_

NOVELIS INC.

<TABLE>  
<CAPTION>

NAME OF ENTITY <S>	JURISDICTION OF ORGANIZATION <C>
Novelis de Mexico, S.A. de C.V. (known as Alcan de Mexico, S.A. de C.V. prior to the separation of Novelis Inc. from Alcan Inc.)	Mexico
4260856 Canada Inc.	Canada
4260848 Canada Inc.	Canada
Al Dotcom Sdn Bhd	Malaysia
Alcom Aluminium Service Sdn Bhd	Malaysia
Alcom Nikkei Specialty Coatings SDN Berhad	Malaysia
Aluminium Company of Malaysia Berhad	Malaysia
Aluminium Norf GmbH	Germany
Consortio Candonga (unincorporated joint venture)	Brazil
EuroNorca Partners	New York, United States
Jen Wu Machinery Sdn Bhd	Malaysia
Logan Aluminum Inc.	Delaware, United States

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- 2 -

<TABLE>  
<CAPTION>

NAME OF ENTITY <S>	JURISDICTION OF ORGANIZATION <C>
Novelis Automotive UK Ltd. (known as Alcan Products UK Ltd. prior to the separation of Novelis Inc. from Alcan Inc.)	United Kingdom
Novelis Belgium (known as Pechiney Eurofoil Belgique S.A. prior to the separation of Novelis Inc. from Alcan Inc.)	Belgium
Novelis Benelux NV (known as N.V. Alcan Aluminium Products Benelux S.A)	Belgium
Novelis Beteiligungsgesellschaft mbH (known as Alcan Aluminium Beteiligungsgesellschaft mbH prior to the separation of Novelis Inc. from Alcan Inc.; will be transferred by Alcan Inc. to Novelis Inc. immediately following the completion of the plan of arrangement)	Germany
Novelis Cast House Technology Ltd. (known as Cast House Technology, Ltd. prior to the separation of Novelis Inc. from Alcan Inc.)	Canada
Novelis Corporation (known as Alcan Aluminum Corporation prior to the separation of Novelis Inc. from Alcan Inc.)	Texas, United States
Novelis Deutschland GmbH (known as Alcan Deutschland GmbH prior to the separation of Novelis Inc. from Alcan Inc.)	Germany
Novelis do Brasil Ltda. (known as Alcan Alumínio do Brasil Ltda. prior to the separation of Novelis Inc. from Alcan Inc.)	Brazil
Eurofoil Inc.	New York, United States
Novelis Europe Holdings Limited	United Kingdom
Novelis UK Ltd. (known as Alcan Packaging Bridgnorth Ltd. prior to the separation of Novelis Inc. from Alcan Inc.)	United Kingdom

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<TABLE>  
<CAPTION>

NAME OF ENTITY <S>	JURISDICTION OF ORGANIZATION <C>
Novelis Foil France (known as Pechiney Eurofoil France prior to the separation of Novelis Inc. from Alcan Inc.)	France
Novelis Aluminium Holding Company (known as Alcan Holdings Ireland Co. prior to the separation of Novelis Inc. from Alcan Inc.)	Ireland
Novelis Italia s.r.l.	Italy
Novelis Korea Ltd. (known as Alcan Taihan Aluminum Limited prior to the separation of Novelis Inc. from Alcan Inc.)	Korea
Novelis Lamines France (known as Alcan Lamines France prior to the separation of Novelis Inc. from Alcan Inc.)	France
Novelis Luxembourg	Luxembourg
Novelis PAE (known as Pechiney IOTA 99 prior to the separation of Novelis Inc. from Alcan Inc.)	France
Novelis PAE Corporation (known as Pechiney Aluminium Engineering, Inc. prior to the separation of Novelis Inc. from Alcan Inc.)	Delaware, United States
Novelis Specialites France (known as Pechiney MU 99 prior to the separation of Novelis Inc. from Alcan Inc.)	France
Novelis Sweden AB (known as Stocktuna AB prior to the separation of Novelis Inc. from Alcan Inc.)	Sweden
Novelis AG (known as Alcan Capital Market Ltd. prior to the separation of Novelis Inc. from Alcan Inc.)	Switzerland
Novelis Technology AG	Switzerland

<TABLE>  
<CAPTION>

NAME OF ENTITY <S>	JURISDICTION OF ORGANIZATION <C>
Novelis Valais S.A.	Switzerland