

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Amendment No. 5 to**  
**Form 10**  
**GENERAL FORM FOR REGISTRATION OF SECURITIES**  
**PURSUANT TO SECTION 12(b) OR (g) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

**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**

**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**

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 between Novelis Inc., as Purchaser, and Alcan Inc., as Supplier, for the supply of sheet ingot in Europe***†

Exhibit No.	Description
10.6	Ingot Supply Agreement dated January 2004 between Alcan Inc. and Alcan Taihan Aluminum***†
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 between Alcan Inc., Novelis Inc., Arcustarget Inc., Alcan Corporation and Novelis Corporation**
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 Tolling Agreement for pet food containers between Alcan Packaging Zutphen B.V. and Alcan Deutschland GmbH***†

Exhibit No.	Description
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***
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 Christopher 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 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.

## SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

NOVELIS INC.  
(Registrant)

By: /s/ BRIAN W. STURGELL

Name: Brian W. Sturgell  
Title: Chief Executive Officer

Date: December 27, 2004

## INDEX TO 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 between Novelis Inc., as Purchaser, and Alcan Inc., as Supplier for the supply of sheet ingot in Europe**†
10.6	Ingot Supply Agreement dated January 2004 between Alcan Inc. and Alcan Taihan Aluminum***†
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 between Alcan Inc., Novelis Inc., Arcustarget Inc., Alcan Corporation and Novelis Corporation**
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.***†



Exhibit No.	Description
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 Center 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 Tolling Agreement for pet food containers between Alcan Packaging Zutphen B.V. and Alcan Deutschland GmbH***†
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***
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 Christopher 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 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.

**ZQ850659**

Incorporated under the Canada Business Corporations Act  
Incorporée sous l'autorité de la loi canadienne sur les sociétés par actions



**Novelis**  
NOVELIS INC.

ISIN: CA67000X1065  
CIBIS: 67000X 10 6

This certifies that **#000**  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

is the registered holder of

Les présentes attestent que  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

est le détenteur immatriculé de

**1345678904**

**COMMON SHARES**

transferable only on the books of the Corporation upon surrender of this Certificate properly endorsed by the holder hereof in person or by attorney.

This Certificate shall not become valid until countersigned by the Transfer Agent and registered by the Registrar of the Corporation.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by the facsimile signatures of its duly authorized officers.

Chief Executive Officer / Chef de la direction

Countersigned and Registered  
CIBC-Montreal Trust Company  
Transfer Agents and Registrar

Chief Financial Officer / Directeur général des services financiers

The shares are transferable at the principal stock exchange office of CIBC-Montreal Trust Company in Montreal, Toronto, Vancouver, Winnipeg, Calgary, Halifax in Canada and Mellon Investors LLC in United States.

**ACTIONS ORDINAIRES**

transférables seulement aux livres de la société sur remise de ce certificat dûment endossé par le détenteur personnellement ou par son procureur.

Ce certificat ne deviendra valide qu'après avoir été countersigné par l'agent des transferts et enregistré par l'agent chargé de la tenue des registres de la société.

EN FOI DE QUOI la société a fait signer ce certificat par le facsimilé de la signature de ses dirigeants dûment autorisés.

Date: DEC 21, 2004

Countersigned et enregistré  
Compagnie Trust CIBC-Montreal  
Agent des Transferts et Agent chargé  
de la tenue des registres

By / Par: \_\_\_\_\_

Authorized signature / Signature autorisée

Les actions sont transférables au bureau de transfert principal de Compagnie Trust CIBC-Montreal à Montréal, Toronto, Vancouver, Winnipeg, Calgary, Halifax au Canada et Mellon Investors LLC aux États-Unis.

5074461 - Q PROOF

SECURITY RESTRICTIONS ON REVERSE

VOIR LES INSTRUCTIONS DE SÉCURITÉ AU VERSO

999999995

G2801625

**850659**

For value received, the undersigned hereby sell(s), assign(s) and transfer(s) unto  
Pour valeur reçue, le soussigné vend, cède et transporte à

(Print name(s) of person(s) to whom the securities are being transferred and the address for the register /  
Écrivez le nom de la ou des personnes à qui les titres sont transférés et l'adresse pour le registre)

shares /  
actions

(number of shares if blank, deemed to be all /  
nombre d'actions — s'il n'y a rien d'écrit, la totalité est présumée)

of the Company represented by this certificate, and hereby irrevocably constitutes and appoints CIBC Mellon Trust Company the attorney of the undersigned to transfer the said securities with full power of substitution in this matter:

de la société représentées par le présent certificat et constitue et nomme irrévocablement par les présentes la Compagnie Trust CIBC Mellon procureur du ou des soussignés pour transférer lesdits titres avec plein pouvoir de substitution à cet égard:

Dated  
/  
Fait  
le

Signature Guarantee(s)\* /  
Garantie des signatures\*  
(the transfer cannot be processed without acceptable guarantees of all signatures /  
le transfert ne peut être effectué sans une garantie acceptable de chaque signature)

Transferor(s) Signature(s)\* /  
Signature du ou des cédants\*

\* For transfers signed by the registered holder(s), their signature(s) must correspond with the name(s) on the certificate in every particular, without any changes. In addition, every signature must be **Signature Guaranteed** by a Canadian Schedule 1 chartered bank, a major trust company in Canada, or a member of one of the recognized medallion programs — Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange, Inc. Medallion Signature Program (MSP).

\* Pour les transferts signés par le ou les détenteurs inscrits, chaque signature doit correspondre exactement avec le ou les noms sur le ou les certificats, sans aucun changement. Aussi, chaque signature doit être garantie par une banque à charte de l'Annexe 1, une importante société de fiducie au Canada, ou un membre de l'un des programmes de garantie Medallion — Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) ou New York Stock Exchange, Inc Medallion Signature Program (MSP).

Until the Separation Time (as defined in the Shareholder Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Agreement made as of December \_\_, 2004, The "Rights Agreement") between Novelis Inc. (the "Corporation") and CIBC Mellon Trust Company, as Rights Agent, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances, as set forth in the Rights Agreement, such Rights may be amended, redeemed, may expire, may become void if, in certain cases, they are "Beneficially Owned" by an "Acquiring Person" (as such terms are defined in the Rights Agreement) or a transferee thereof, or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing copy of the Rights Agreement to the holder of this certificate without charge within five days after the receipt of a written request therefore.

Jusqu'à la libération des Droits (qui est définie dans la convention de Droits pour les actionnaires mentionnée ci-dessous) le présent certificat atteste que son détenteur jouit de certains droits stipulés dans une convention de Droits pour les actionnaires passée le \_\_ décembre 2004 (la « convention de Droits ») entre Novelis Inc. (la « société ») et Compagnie Trust CIBC Mellon (l'« agent d'émission des Droits »); les conditions de cette convention, dont copie est déposée au bureau principal de la direction de la société, sont incorporées aux présentes par renvoi. Dans certaines circonstances stipulées dans la convention de Droits, ces Droits peuvent être modifiés, rachetés, peuvent expirer, peuvent devenir nuls si, dans certains cas, ils sont la « propriété réelle » d'un « acquéreur important » (selon les définitions de ces expressions dans la convention de Droits) ou d'un cessionnaire de ce dernier, ou peuvent être représentés par des certificats séparés, auquel cas le présent certificat n'en atteste plus l'existence. La société postera ou fera poster, sans frais, une copie de la convention de Droits au détenteur du présent certificat dans les cinq jours suivant la réception d'une demande écrite à cet effet.

#### **SECURITY INSTRUCTIONS - INSTRUCTIONS DE SÉCURITÉ**

THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING WATERMARK.

HOLD TO LIGHT TO VERIFY WATERMARK.

PAPIER FILIGRANÉ, NE PAS ACCEPTER SANS VÉRIFIER LA PRÉSENCE  
DU FILIGRANE. POUR CE FAIRE, PLACER À LA LUMIÈRE.



METAL SUPPLY AGREEMENT

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

FOR THE SUPPLY OF SHEET INGOT IN EUROPE

Dated December \_\_\_\_, 2004, with effect as of the Effective Date

TABLE OF CONTENTS

<TABLE>		
<S> <C>		<C>
1.	DEFINITIONS AND INTERPRETATION.....	1
2.	METAL.....	8
3.	FORCE MAJEURE.....	16
4.	ASSIGNMENT.....	18
5.	TERM AND TERMINATION.....	18
6.	EVENTS OF DEFAULT.....	19
7.	REPRESENTATIONS AND WARRANTIES.....	20
8.	CONFIDENTIALITY.....	20
9.	DISPUTE RESOLUTION.....	20
10.	MISCELLANEOUS.....	21

</Table>

SCHEDULES

<Table>  
<S> <C>

- 1 Metal Specifications
2. Contract Year 1 Quantities
3. 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 and its Affiliates wish to supply, and the Purchaser and its Affiliates wish to purchase, subject to the terms and conditions of this Agreement, Metal (as defined below) required by the Purchaser and its Affiliates at the Delivery Sites (as defined below).

WHEREAS the Parties have entered into this Agreement as principals and as agents for their Subsidiaries 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 Inc. 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, and
- (iv) in respect of each of Contract Year 4 to \*\*\*\*, inclusive, such amount, in Tonnes, in respect of each Contract Year, (a) as may be

\*\*\* 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 -

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 25% 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 reduction in accordance with Section 2.1(c).

"ANNUAL ORDER QUANTITY" means, in respect of any Contract Year, an amount in Tonnes, which is equal to or greater than 90% of the Annual Base Quantity for such Contract Year, and less than or equal to the Annual Base Quantity for such Contract Year, unless otherwise agreed by the Parties, which amount is notified by the Purchaser to the Supplier pursuant to Section 2.6.

"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 \*\*\*, inclusive, \*\*\*, and for any Contract Year from and after \*\*\*, such percentage as may be agreed 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).

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

- 4 -

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:

- (a) in respect of Metal supplied to a Delivery Site outside of the United Kingdom, the aggregate of the following:
  - (i) the LME 3-Month Aluminum Price for the month preceding the month of the Bill of Lading Date;
  - (ii) minus the Applicable LME Discount Percentage of the LME 3-Month Aluminum Price;
  - (iii) plus the Logistics Cost;
  - (iv) plus the Product Premium;
  - (v) plus the EC Duty Paid Premium applicable to the month of the Bill of Lading Date; and
  - (vi) plus, in the case of delivery from a Supplier Facility located outside of Continental Europe, the cost of freight and insurance to the Delivery Site.
- (b) in respect of Metal supplied to a Delivery Site in the United Kingdom, the aggregate of:
  - (i) the LME 3-Month Aluminum Price for the Month preceding the month of the Bill of Lading Date;
  - (ii) minus the Applicable LME Discount Percentage of the LME 3-Month Aluminum Price;
  - (iii) plus the Logistics Cost;
  - (iv) plus the Product Premium;
  - (v) plus the EC Duty Paid Premium applicable to the month prior to the month of the Bill of Lading Date; and

- 5 -

- (vi) minus, in the case of supply of Metal to Rogerstone, the Rogerstone Discount;

"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.

"DEFAULT INTEREST RATE" means the rate of interest charged by Supplier for late payments in accordance with Supplier's normal commercial practice, as set forth in invoices issued by Supplier hereunder.

"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:

- (a) the following locations in the United Kingdom:
  - (i) Rogerstone;
  - (ii) Bridgnorth; and
- (b) the following locations in continental Europe:
  - (i) Norf;
  - (ii) Sierre;
  - (iii) Annecy; and
- (c) such other facilities of the Purchaser as may be agreed by the Parties.

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

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

"EC DUTY PAID PREMIUM" means for any calendar month, the arithmetic



average of the EC Duty Paid Premium for primary high grade aluminum, as published by Metal Bulletin on each day during the calendar month preceding such calendar month or as otherwise determined pursuant to Section 2.10(c).

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

- 6 -

"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.

"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, 2.6(ii) or Section 2.7(b)(ii).

"EUROS" means the lawful currency of the member states of the European Union that adopt the 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 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" means the London Metal Exchange.

"LME 3-MONTH ALUMINUM PRICE" for any calendar month means the arithmetic average of the LME 3-Month seller's and buyer'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

- 7 -

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

"LOGISTICS COST" means o. "METAL" means aluminum sheet ingot having the specifications set forth in SCHEDULE 1.

"MINIMUM ANNUAL PURCHASE QUANTITY" means an amount in Tonnes in respect of each Contract Year, equal to \*\*\*% 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.

"PRODUCT PREMIUM" means o. "PURCHASER" has the meaning set forth in the Preamble to this Agreement.

"ROGERSTONE DISCOUNT" means in respect of each Tonne of Metal supplied to Purchaser's Rogerstone facility, \$\*\*\*.

"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.

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

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

- 8 -

"SUPPLIER FACILITIES" means any of the facilities of the Supplier located at Dunquerque, Isal, Lochaber, Lynemouth, Vlissingen, St. Jean, Lannemezan, or Alucam, or such other facilities as may be agreed 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.

## 1.2 CURRENCY

All references to currency herein are to Euros unless otherwise specified. All currency conversions required for purposes of calculating the applicable Contract Price and various components thereof as well as any other amounts payable hereunder shall be made utilizing the monthly average of the daily spot Euro/Dollar exchange rate of the European Central Bank adjusted by the swap points on three-month forward purchase contracts for the relevant currency.

## 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 "CIP the applicable Delivery Site" the quantities of Metal determined in accordance with this Agreement.

- 9 -

- (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 shut down.

## 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 "CIP the applicable Delivery Site" the quantities of Metal determined in accordance with this Agreement.

## 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

\*\*\* 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 -

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 all 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 2.

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

- (a) The Supplier shall have no obligation to supply Metal hereunder

in a Contract Year in excess of an amount equal to the Annual Base Quantity for such Contract Year, unless otherwise agreed by the Parties.

- (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 Annual Base Quantity 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).

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 2.

## 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

\*\*\* 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 -

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 105% of the Annual Base Quantity 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
- (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 110% of the Annual Order Quantity for such Contract Year

divided by 12, and greater than or equal to 80% (or 75% 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

- 12 -

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 \*\*\*% 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 \*\*\*% 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 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

\*\*\* 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 -

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 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 90% to 110% 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 shipment and insurance for the transportation of 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 and obtaining insurance for the shipment of Metal under this Agreement. In doing this, the Supplier shall use Commercially Reasonable Efforts to obtain competitive freight and insurance rates and shall obtain approval from the Purchaser before entering into any long term contracts for hiring carriers or obtaining insurance 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 and complies with insurance requirements.
- (c) Matters regarding shipment and delivery performance hereunder shall be governed by the provisions of SCHEDULE 3.

\*\*\* 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 -

## 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 applicable to the Delivery Site to which such Metal is delivered. 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, or (ii) Metal Bulletin 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/or 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) In the event the EC Duty Paid Premium indicator is discontinued due to the reduction or elimination of the 6% import duty on unwrought aluminium, the EC Duty Paid Premium shall be replaced by a corresponding European Market Premium indicator, if published by Metal Bulletin. If no such replacement indicator is

published, the Parties will enter into good faith negotiations in order to amend the definition of EC Duty Paid Premium.

## 2.11 QUALITY

- (a) Metal supplied under this Agreement shall comply with the Specifications set forth in SCHEDULE 1. 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 1 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.

- 15 -

## 2.12 PAYMENT

- (a) The Purchaser shall pay the Supplier in full for each shipment of Metal meeting the Specifications set out in SCHEDULE 1 or otherwise accepted by the Purchaser in accordance with the Supplier's commercial invoice within forty-five (45) days of the last day of the month 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 1 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 1, 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 Euros, pounds, sterling or Dollars, at the option of the Party making the payment, 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 CIP 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.

- 16 -

2.15 PURCHASER AS PRINCIPAL

The Purchaser warrants that all Metal to be purchased hereunder shall be purchased for Purchaser's own consumption (and, as applicable, that of its Subsidiaries). The Purchaser agrees that it shall not re-sell or otherwise make available to any Person (other than a Subsidiary) 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

- 17 -

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.

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 \*\*\*\* 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.

- 18 -

## 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 \*\*\*, 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.

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

- (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

- 21 -

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 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

- 22 -

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.

10.3 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.

10.4 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.

10.5 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.

- 23 -

10.6 CONFLICTS

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

10.7 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.

10.8 SURVIVAL

The obligations of the Parties under Sections 2.10, 2.11, 2.12, 8, 9, 10.3 and 10.8 and liability for the breach of any obligation contained herein shall survive the expiration or earlier termination of this Agreement.

10.9 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.

10.10 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.

10.11 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.

- 24 -

10.12 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.

10.13 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.

10.14 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.

10.15 PRINCIPALS AND AGENTS

The Parties agree that each of Novelis and Alcan is entering into this Agreement as principal on its own behalf and as agent for its Subsidiaries that may, from time to time, wish to purchase or supply, as applicable, Metal under the terms of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

- 25 -

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

<TABLE>  
<CAPTION>  
<S>

<C>  
NOVELIS INC.

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

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

ALCAN INC.

- 26 -

<C>  
By: \_\_\_\_\_  
Name:  
Title:

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

</TABLE>

<TABLE>  
<CAPTION>  
<S>

</TABLE>

## TAX SHARING AND DISAFFILIATION AGREEMENT

BETWEEN

ALCAN INC.

AND

NOVELIS INC.

AND

ARCUSTARGET INC.

AND

ALCAN CORPORATION

AND

NOVELIS CORPORATION

Dated December 6, 2004

## TABLE OF CONTENT

<TABLE>		
<C>	<S>	<C>
ARTICLE I - INTERPRETATION		2
1.01	Definitions.....	2
1.02	Schedules.....	9
1.03	Headings.....	9
1.04	Currency.....	9
ARTICLE II - REPRESENTATIONS, WARRANTIES AND COVENANTS		9
2.01	Representations, Warranties and Covenants of Alcan in Favour of Novelis.....	9
2.02	Representations, Warranties and Covenants of Novelis in Favour of Alcan and AC.....	11
2.03	Representations, Warranties and Covenants of AC in Favour of AAC and Novelis.....	13
2.04	Representations, Warranties and Covenants of AAC in Favour of AC and Alcan.....	14
2.05	Representations, Warranties and Covenants of Novelis in Favour of AC.....	15
2.06	Survival of Representations, Warranties and Covenants.....	16
ARTICLE III - INDEMNIFICATION		17
3.01	Indemnification by Alcan.....	17
3.02	Indemnification by Novelis.....	17
3.03	Indemnification in the Event of Mutual Breach.....	17
3.04	Indemnification in the Event of a Triggering Event.....	17
3.05	Indemnification in Other Circumstances.....	18
3.06	Event of Last Act.....	18
ARTICLE IV - GENERAL LIABILITY FOR TAXES FOR PRE-SEPARATION PERIOD		18
4.01	General Liability.....	18
ARTICLE V - GENERAL LIABILITY FOR TAXES FOR THE POST-SEPARATION PERIOD		19
5.01	General Liability.....	19
ARTICLE VI - ALLOCATION OF LIABILITIES FOR TRANSFER TAXES		19

6.01	General Allocation.....	19
ARTICLE VII - YEAR END AND DISAFFILIATION		19
7.01	Year End.....	19
7.02	Disaffiliation or Deconsolidation.....	19

</TABLE>

-ii-

<TABLE>		
<C>	<S>	<C>
ARTICLE VIII - CONTROL OF TAX CHALLENGES		22
8.01	Control of Challenge of Tax Claims.....	22
8.02	Certain Specified Tax Claims.....	24
ARTICLE IX - COOPERATION, RECORD RETENTION AND CONFIDENTIALITY		24
9.01	Cooperation and Record Retention.....	24
9.02	Confidentiality.....	25
ARTICLE X - TAX RETURNS		26
10.01	Tax Returns.....	26
ARTICLE XI - TRANSFER PRICING ISSUES		27
11.01	Transfer Pricing Issues.....	27
ARTICLE XII - DISPUTE RESOLUTION		28
12.01	Dispute Resolution Agreement to Apply.....	28
ARTICLE XIII - MISCELLANEOUS		28
13.01	Effect on Other Tax Sharing Agreements.....	28
13.02	Counterparts.....	28
13.03	Entire Agreement.....	29
13.04	Inconsistencies with Separation Agreement.....	29
13.05	Governing Law.....	29
13.06	Disclaimer Regarding Tax Attributes.....	29
13.07	Tax Services.....	29
13.08	Tax Liability.....	30
13.09	Notices.....	30
13.10	Interest.....	31
13.11	Assignability.....	31
13.12	Severability.....	31
13.13	Waivers of Default.....	31
13.14	Amendments.....	31
13.15	Further Assurances.....	32
</TABLE>		

TAX SHARING AND DISAFFILIATION AGREEMENT (the "AGREEMENT") entered into in the City of Montreal, Province of Quebec dated December 0, 2004 with effect as of the Effective Date (as defined below).

<TABLE>	
<C>	<S>
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").
AND:	ARCUSTARGET INC., a corporation incorporated under the Canada Business Corporations Act ("ARCUSTARGET");
AND:	ALCAN CORPORATION, a corporation incorporated under the laws of the State



of Texas ("AC");

AND: NOVELIS CORPORATION (FORMERLY ALCAN ALUMINUM CORPORATION), a corporation  
incorporated under the laws of the State of Texas ("AAC");

</TABLE>

RECITALS:

WHEREAS Alcan Group (as defined below) currently conducts the Alcan Businesses  
(as defined below);

WHEREAS Alcan intends to effect a spinoff of the Separated Businesses to the  
holders of the Alcan Common Shares (as defined below);

WHEREAS such spinoff will be achieved through (i) the Reorganization (as defined  
below), by which Alcan will transfer the Separated Businesses to Arcustarget;  
(ii) the Arrangement (as defined below), by which the holders of Alcan Common  
Shares will become shareholders of Novelis, Arcustarget will become a subsidiary  
of Novelis and Novelis and Arcustarget will amalgamate;

-2-

WHEREAS Alcan and Novelis have agreed on the anticipated tax consequences of the  
Reorganization and the Arrangement in the jurisdictions where the transactions  
forming part of the Reorganization and the Arrangement will take place (the "TAX  
FRAMEWORK");

WHEREAS Alcan intends in particular, and Novelis accepts, that:

- (i) certain transactions forming part of the Reorganization, for Canadian  
income tax purposes, be governed by paragraph 55(3)(b) of the Tax Act  
(as defined below) and sections 85.1 and 86 of the Tax Act, such that  
no gain will be realized by Alcan, Novelis and Alcan Common  
Shareholders (as defined below);
- (ii) the Separation qualify for United States federal income tax purposes as  
a reorganization within the meaning of Section 368(a)(1) of the Code  
(as defined below), pursuant to which no gain or loss will be  
recognized for United States federal income tax purposes by Alcan,  
Novelis, AC, AAC or by the shareholders of Alcan under Section 355 of  
the Code (as defined below) and the related provisions thereunder; and
- (iii) for United States federal income tax purposes, the Separation Agreement  
be treated as a plan of reorganization within the meaning of the Code;

WHEREAS the Reorganization will result in certain entities ceasing to be part of  
a group of entities that in certain jurisdictions were filing, lodging or  
otherwise submitting their tax returns on a consolidated, combined, unitary,  
unity or other similar basis;

WHEREAS the Parties desire, in connection with the Reorganization and the  
Arrangement, to (i) give each other certain representations and warranties with  
respect to certain tax matters, (ii) confirm that no representations and  
warranties are being given with respect to certain other tax matters, (iii) set  
out certain rules which shall govern their conduct after the Separation and (iv)  
allocate certain obligations with respect to certain tax matters;

WHEREAS Alcan and Novelis have entered into the Separation Agreement (the  
"SEPARATION AGREEMENT") and several ancillary agreements, as amended, modified,  
supplemented or restated to complete the Separation (as defined below);

WHEREAS this Agreement is an Ancillary Agreement for the purposes of 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:

ARTICLE I -  
INTERPRETATION

1.01 DEFINITIONS

The capitalized words and expressions and variations thereof used in  
this Agreement or in its schedules shall have the meanings ascribed to  
them as set forth herein. Capitalized

-3-

words and expressions and variations thereof not defined in this  
Agreement shall have the meanings ascribed to them in Schedule 1.01 -

Definitions of the Separation Agreement.

"50% INTEREST" means with respect to any corporation (within the meaning of the Code) stock or other equity interests of such corporation possessing at least 50 percent of the total combined voting power of all classes of stock or equity interests entitled to vote or at least 50 percent of the total value of shares of all classes of stock or equity interests.

"AAC GROUP" means, for any taxable period, AAC and any Subsidiaries of AAC as of that taxable period.

"AAC" has the meaning set forth in the preamble to this Agreement.

"AC" has the meaning set forth in the preamble to this Agreement.

"AC GROUP" means, for any taxable period, AC and its Subsidiaries as of that taxable period other than members of the AAC Group.

"AFFILIATE" means any Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with a specified Person.

"AGREEMENT" means this Tax Sharing and Disaffiliation Agreement between the Parties, including all of the schedules hereto, and as the same may be amended from time to time.

"ALCAN" has the meaning set forth in the preamble to this Agreement.

"ALCAN BUSINESSES" has the meaning set forth in the Separation Agreement.

"ALCAN CLASS A COMMON SHARES" or "NEW ALCAN COMMON SHARES" means the class A common shares of Alcan which Alcan will be authorized to issue upon the Arrangement becoming effective and which are to be issued under the Arrangement to Alcan Common Shareholders in exchange, in part, for Alcan Common Shares, and to be redesignated as Alcan common shares once the current Alcan Common Shares have been deleted from the share capital of Alcan.

"ALCAN COMMON SHAREHOLDERS" means the holders of Alcan Common Shares.

"ALCAN COMMON SHARES" means the voting common shares of Alcan.

"ALCAN GROUP" means Alcan and its Subsidiaries, whether held directly or indirectly; for greater certainty, (i) prior to the Effective Time, "Alcan Group" includes Arcustarget Group, (ii) on and after the Effective Time, "Alcan Group" excludes Arcustarget Group, and (iii) in all circumstances "Alcan Group" excludes Novelis; provided, however, that for United States Tax purposes, "Alcan Group" excludes the AAC Group for all times after the Date of the U.S. Internal Distribution.

-4-

"ALCAN INDEMNIFIED PARTIES" has the meaning set forth in Section 3.02 of this Agreement.

"ALCAN SPECIAL SHARES" means the non-voting, redeemable, retractable, special shares of Alcan, which Alcan will be authorized to issue upon the Arrangement becoming effective and which are to be issued pursuant to the Arrangement to Alcan Common Shareholders in exchange, in part, for the Alcan Common Shares.

"ALCAN TAX CONSOLIDATED GROUP" means any group of Persons who are Affiliates of Alcan and who file, lodge or otherwise submit their Tax Returns on a consolidated, combined, unitary, unity or similar basis.

"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.

"ARCUSTARGET" had the meaning set forth in the recitals of this Agreement.

"ARCUSTARGET GROUP" means Arcustarget and its Subsidiaries, whether held directly or indirectly.

"ARRANGEMENT" means the proposed arrangement under the provisions of section 192 of the CBCA on, and subject to, the terms and conditions set forth in the Plan of Arrangement.

"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).

"CANADIAN TAX RULING" means the advance income tax ruling received by Alcan from the CRA on December 15, 2004 and as may be further revised, supplemented or modified at the request of Alcan confirming the Canadian federal income tax consequences of certain aspects of the Arrangement and certain other transactions.

"CBCA" means the Canada Business Corporations Act.

"CLAIM" means any assessment or reassessment, tax inquiry, audit, examination, investigation, dispute, litigation or other proceeding (including, for United States federal income tax purposes, a notice of a potential Claim such as a Form 5701 Notice of Proposed Adjustment), made by the CRA, a Provincial Revenue Authority, the IRS or any other Taxing Authority, that would result in any Tax liability to an Indemnitor.

"CLOSING AGENDA" means the final closing agenda relating to the Reorganization and the Arrangement.

"CODE" means the United States Internal Revenue Code of 1986, as amended.

-5-

"CONSTITUENT DOCUMENTS" means, with respect to any Person, (a) the articles of incorporation, certificate of incorporation, constitution or certificate of formation (or the equivalent organizational documents) of such Person, (b) the by-laws, operating agreement (or the equivalent governing documents) of such Person, (c) any document setting forth the manner of election and duties of the directors or managing members of such Person (if any) and the designation, amount or relative rights, limitations and preferences of any class or series of such Person's Stock and (d) with respect to any Person organized under the laws of Canada or any province therein, any unanimous shareholder agreement.

"CONTROL" or "CONTROLLED" means, (a) for purposes of paragraph (a) of the definition of Triggering Event, control for purposes of the Tax Act, and (b) for other any purpose, means the presence of one of the following: (i) the legal, beneficial or equitable ownership, directly or indirectly, of more than 50% (by vote or value) of the capital or voting stock (or other ownership or voting interest, if not a corporation) of such Person or (ii) the ability, directly or indirectly, to direct the voting of a majority of the directors of such Person's board of directors or, if such Person does not have a board of directors, a majority of the positions on any similar body, whether through appointment, voting agreement or otherwise.

"CRA" means the Canada Revenue Agency.

"DATE OF THE U.S. INTERNAL DISTRIBUTION" means the date on which the U.S. Internal Distribution occurs.

"DISAFFILIATION DATE" means, (a) for United States Tax purposes the Date of the U.S. Internal Distribution, and (b) for other purposes, the Effective Date.

"DISPUTE RESOLUTION AGREEMENT" means the Agreement with Respect to Dispute Resolution dated the Effective Date, as amended, restated or modified from time to time, and constituting an Ancillary Agreement to the Separation Agreement.

"EFFECTIVE DATE" has the meaning set forth in the Separation Agreement.

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

"FINAL DETERMINATION" means with respect to any issue (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final and not subject to further appeal, (b) a closing agreement (in the United States, whether or not entered into under Section 7121 of the Code) or any other binding settlement agreement (in the United States, whether or not with the IRS) entered into in connection with or in contemplation of an administrative or judicial proceeding by a Taxing Authority, or (c) the completion of the highest level of administrative proceedings if a judicial contest is not or is no longer available.

"FIRST GROUP" has the meaning set forth in Section 11.01.

"FISCAL YEAR 2004 STUB PERIOD" shall mean the Fiscal Year 2004 and, if the U.S. Internal Distribution occurs after December 31, 2004, the period beginning January 1, 2005 and ending on or after the Date of the U.S. Internal Distribution.

"FISCAL YEAR 2004" shall mean the period beginning January 1, 2004 and ending December 31, 2004.

"FISCAL YEAR 2005" shall mean the period beginning January 1, 2005 and ending December 31, 2005.

"FORM 10" shall mean the registration statement on Form 10 (including the related information statement) relating to the listing of Novelis Shares on the New York Stock Exchange and the related registration of the class of equity securities that includes the Novelis Common Shares under Section 12(b) of the US Securities Exchange Act of 1934, in the form in which it was declared effective by the Securities and Exchange Commission.

"FORMER MEMBER" has the meaning set forth in paragraph (a) of Section 7.02.

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

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

"INDEMNIFIED PARTY" has the meaning set forth in Section 8.01.

"INDEMNITOR" has the meaning set forth in Section 8.01.

"IRS" means the United States Internal Revenue Service.

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

"NOVELIS" means Novelis Inc., a corporation incorporated under the CBCA, formed to acquire under the Arrangement and independently carry on the Separated Businesses, and to be amalgamated with Arcustarget on the Effective Date, and, for greater certainty, includes the corporation resulting from the amalgamation of Novelis and Arcustarget and any successors thereto.

"NOVELIS COMMON SHARES" means the voting common shares of Novelis to be issued to holders of Alcan Special Shares pursuant to the Arrangement in exchange for such Alcan Special Shares.

"NOVELIS GROUP" means Novelis and its Subsidiaries, whether held directly or indirectly; for greater certainty, (i) prior to the Effective Time, "Novelis Group" excludes Arcustarget Group, and (ii) on and after the Effective Time, "Novelis Group" includes Arcustarget Group; provided, however, that for United States Tax purposes, "Novelis

Group" shall include the AAC Group for all times after the Date of the U.S. Internal Distribution.

"NOVELIS INDEMNIFIED PARTIES" has the meaning set forth in Section 3.01.

"PARTIES" means the parties to this Agreement and, in the singular, means any of them.

"PERIOD" means any taxable year or other taxable period.

"PERSON" shall mean any individual, partnership, joint venture, corporation, limited liability company, company, trust, unincorporated organization or Governmental Authority.

"PLAN OF ARRANGEMENT" means the plan of arrangement set out as Schedule 1.01 - "PA" of the Separation Agreement, as the same may be amended from time to time.

"POST-DISTRIBUTION PERIOD" means any taxable year or other taxable period beginning after the Date of the U.S. Internal Distribution and, in the case of any Straddle Period, that part of the Straddle Period that begins after the close of the Date of the U.S. Internal

Distribution.

"PRE-DISTRIBUTION PERIOD" means any taxable year or other taxable period that ends on or before the Date of the U.S. Internal Distribution and, in the case of any Straddle Period, the part of the Straddle Period through the close of the Date of the U.S. Internal Distribution.

"PRE-SEPARATION PERIOD" means (i) any taxable year or other taxable period that ends on or before the Effective Time and (ii) for United States Tax purposes, a Pre-Distribution Period.

"POST-SEPARATION PERIOD" means (i) any taxable year or other taxable period that begins on or after the Effective Time and (ii) for United States Tax purposes, a Post-Distribution Period.

"PROVINCIAL REVENUE AUTHORITY" has the meaning set forth in the Separation Agreement.

"REORGANIZATION" means the transactions relating to the transfers of property directly or indirectly to Arcustarget set out in Part I of the Closing Agenda.

"SECOND GROUP" has the meaning set forth in Section 11.01.

"SEPARATED BUSINESSES" has the meaning set forth in the Separation Agreement.

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

"SEPARATION AGREEMENT" has the meaning set forth in the recitals of this Agreement.

-8-

"STRADDLE PERIOD" means any taxable year or other taxable period that, for the purposes of any Tax Return or any other determination of Taxes payable, begins before and ends after the Effective Time.

"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. In determining whether a Subsidiary is a Subsidiary of AAC or AC for any period, AAC and the Subsidiaries of AAC shall not be treated as Subsidiaries of AC.

"TAX" or "TAXES" whether used in the form of a noun or adjective, means all forms of taxation, whenever created or imposed, including, but not limited to, taxes on or measured by income, capital, franchise, gross receipts, sales, use, excise, payroll, personal property (tangible or intangible), real property, ad-valorem, value-added, goods and services, leasing, leasing use or other taxes, levies, imposts, duties, charges or withholdings of any nature whether imposed by a country, locality, municipality, government, state, province, federation, or other Governmental Authority, including any penalties, fines and additions to tax and any interest on tax, compounded or otherwise.

"TAX ACT" means the Income Tax Act (Canada), as amended.

"TAX FRAMEWORK" has the meaning set forth in the recitals of this Agreement.

"TAX RETURNS" means all reports, returns, information statements, questionnaires or other documents or data (whether in printed, electronic or other form) required to be filed or that may be filed for any period with any Taxing Authority (whether domestic or foreign) in connection with any Tax or Taxes (whether domestic or foreign).

"TAXING AUTHORITY" means any governmental entity imposing Taxes or empowered or authorized to administer any Taxes imposed by any country, locality, municipality, government, state, province, federation or other Governmental Authority.

"TRANSFER TAXES" means any transfer, sales, use, real property transfer, goods and services, value-added, stamp, filing, recordation and similar taxes and fees imposed in connection with the Reorganization or the Separation.

"TREASURY REGULATIONS" means the regulations promulgated by the United

States Treasury Department under the Code.

"TRIGGERING EVENT" means:

- (a) for the purposes of the Tax Act, an acquisition of Control of Novelis; or
- (b) for United States federal income tax purposes, any action or actions of or involving any Person (other than Alcan or any Person that is an Affiliate of Alcan immediately before or immediately after such action or actions), or any omission

-9-

or omissions of such Person of an action or actions available to it, after the Date of the U.S. Internal Distribution, if as a result of such action or omission a Final Determination is made that the Separation is not Tax-free (i) by failing to qualify as a distribution described in Sections 355 and 368(a)(1)(D) of the Code, (ii) because any stock or securities of AAC distributed by AC in the U.S. Internal Distribution fail to qualify as "qualified property" within the meaning of Section 355(c)(2) of the Code, or (iii) because Section 355(e) of the Code applies to the Separation.

"U.S.INTERNAL DISTRIBUTION" means the distribution by AC to Alcan of all the shares of AAC in the course of the Separation.

"U.S.SEPARATION DATE", for United States Tax purposes, means the date on which the Separation is completed.

"UNITED STATES" means the United States of America.

#### 1.02 SCHEDULES

The following schedules are attached to this Agreement and form part hereof:

- Schedule 2.02(i) Corporate Structure of the Novelis Group  
After the Separation
- Schedule 8.02 Tax Claims That Are The Sole Responsibility of  
Alcan
- Schedule 11.01 Transfer Pricing Adjustments

#### 1.03 HEADINGS

The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

#### 1.04 CURRENCY

Unless otherwise indicated herein, all Dollar amounts referred to in this Agreement refer to the lawful currency of the United States of America and all payments must be made in such currency.

### ARTICLE II - REPRESENTATIONS, WARRANTIES AND COVENANTS

#### 2.01 REPRESENTATIONS, WARRANTIES AND COVENANTS OF ALCAN IN FAVOUR OF NOVELIS

- (a) Alcan represents as at the date hereof and warrants to and in favour of Novelis as at the date hereof (and acknowledges that Novelis is relying upon such representations and warranties in connection with the matters contemplated by this Agreement) as follows:

-10-

- (i) to the best of Alcan's knowledge, there is no "specified shareholder" of Alcan as such expression is defined for the purposes of paragraph 55(3.1)(b) of the Tax Act; and
- (ii) all the facts relating to Alcan that are disclosed in the Canadian Tax Ruling are true and accurate in all material respects;
- (b) Alcan covenants that it shall not, and that it shall cause each other member of the Alcan Group not to, enter into any

transaction or permit any transaction within its control to occur that would cause Alcan or any other member of the Alcan Group that is a corporation to cease to be a "specified corporation" (within the meaning of the Tax Act) on or prior to the Effective Date, except as contemplated in the Canadian Tax Ruling, and Alcan and each such member will fulfill, and will cause any Person Controlled by it after the Effective Date to fulfill all representations or undertakings provided by it to the CRA, to the Provincial Revenue Authorities or to tax counsel in connection with the Canadian Tax Ruling;

- (c) Alcan covenants that it shall not, and that it shall cause each other member of the Alcan Group not to, take any action, omit to take any action or enter into any transaction that could cause the Arrangement or any related transaction to be treated in a manner inconsistent with the Canadian Tax Ruling or the Tax Framework;
- (d) Alcan covenants that it shall, and that it shall cause each other member of the Alcan Group that is required to file Canadian Tax Returns, to file such Tax Returns (including, for greater certainty, any election forms under section 85 of the Tax Act) in accordance with the terms of the Plan of Arrangement and the Canadian Tax Ruling following the Effective Date; and
- (e) Alcan covenants that it shall, and that it shall cause each other member of the Alcan Group to, cooperate with Novelis and the relevant other members of the Novelis Group in the preparation and filing of all elections under the Tax Act as contemplated in the Reorganization, the Canadian Tax Ruling, the Plan of Arrangement, the Tax Framework and this Agreement (and of any similar elections that may be required under applicable provincial or foreign legislation); such elections shall be made in the form and within the time limits prescribed in the Tax Act (or the applicable provincial or foreign legislation); except that Alcan may decide, in its sole discretion, to amend or late-file such elections, in which case Alcan shall be liable to indemnify any Novelis Indemnified Person for any late-filing penalties; where an agreed amount is to be included in any such election, such amount will be within the range contemplated by the Tax Act (or applicable provincial or foreign legislation) and will be the amount contemplated by the Canadian Tax Ruling, the Plan of Arrangement and this Agreement, where such amount is specified therein and, in any other case, will be the amount determined by Alcan in its sole discretion.

-11-

2.02 REPRESENTATIONS, WARRANTIES AND COVENANTS OF NOVELIS IN FAVOUR OF ALCAN AND AC

- (a) Novelis covenants that it shall, and that it shall cause each other member of the Novelis Group to, use its commercially reasonable efforts and do all things reasonably required of it to cause the Reorganization to be completed within the time periods contemplated by the Separation Agreement;
- (b) Novelis covenants that it shall, and that it shall cause each other member of the Novelis Group to, use its commercially reasonable efforts and do all things reasonably required of it to cause the Arrangement to become effective within the time periods contemplated by the Separation Agreement;
- (c) Novelis covenants that it shall not, and that it shall cause each other member of the Novelis Group not to, enter into any transaction or permit any transaction within its control to occur that would cause Alcan or any other member of the Alcan Group that is a corporation to cease to be a "specified corporation" (within the meaning of the Tax Act) on or prior to the Effective Date, except as contemplated in the Canadian Tax Ruling, and Novelis and each other member of the Novelis Group will fulfill, and will cause any Person Controlled by it after the Effective Date to fulfill, all representations or undertakings provided by it to the CRA, to the Provincial Revenue Authorities in connection with the Canadian Tax Ruling;
- (d) Novelis covenants that it shall not, and that it shall cause each other member of the Novelis Group not to, take any action, omit to take any action or enter into any transaction that could cause the Reorganization, the Arrangement or any related transaction to be treated in a manner inconsistent with the Canadian Tax Ruling or the Tax Framework;

- (e) Novelis covenants that it shall file, and that it shall cause each other member of the Novelis Group that is required to file Canadian Tax Returns to file, such Tax Returns (including, for greater certainty, any election forms under section 85 of the Tax Act) in accordance with the terms of the Plan of Arrangement and the Canadian Tax Ruling following the Effective Date. To the extent allowed by Applicable Law, Novelis shall, and shall cause each other member of the Novelis Group to, make adjustments to its stated capital and paid-up capital accounts in accordance with the terms of the Plan of Arrangement and the Canadian Tax Ruling following the Effective Date in order that the Reorganization and the Separation are implemented on a tax efficient basis for Alcan and the members of the Alcan Group;
- (f) Novelis covenants that it shall, and that it shall cause each other member of the Novelis Group to, use reasonable best efforts to apply for such amendments to the Canadian Tax Ruling and make such amendments to the Separation Agreement as may be necessary or desirable to obtain the Canadian Tax Ruling or to implement the Plan of Arrangement as may be desired by Alcan (i) to enable it to implement arrangements or carry out transactions deemed advantageous by it for the

-12-

purposes of the Separation, or (ii) to achieve a tax efficient treatment (to be determined in Alcan's discretion) of transaction costs on a worldwide net basis;

- (g) Novelis covenants that it shall, and that it shall cause each other member of the Novelis Group to, cooperate with Alcan and the relevant other members of the Alcan Group in the preparation and filing of all elections under the Tax Act as contemplated in the Reorganization, the Canadian Tax Ruling, the Plan of Arrangement, the Tax Framework and this Agreement (and of any similar elections that may be required under applicable provincial or foreign legislation); such elections shall be made in the form and within the time limits prescribed in the Tax Act except that Alcan may decide, in its sole discretion, to amend or late-file such elections; where an agreed amount is to be included in any such election, such amount will be within the range contemplated by the Tax Act (or applicable provincial or foreign Tax legislation) and will be the amount contemplated by the Canadian Tax Ruling, the Plan of Arrangement, the Tax Framework and this Agreement, where such amount is specified therein and, in any other case, will be the amount determined by Alcan in its sole discretion;
- (h) Novelis covenants that it shall not, and that it shall cause each other member of the Novelis Group not to, make any Tax election, pay or cause to be paid any distribution from a member of the Novelis Group or take any other action that could cause an actual increase in the Taxes for which a member of the Alcan Group is responsible or that will cause an actual reduction in the amount of any refund of Taxes payable to a member of the Alcan Group other than as a result of the Separation;
- (i) Novelis covenants that it shall not, and it shall cause each other member of the Novelis Group not to, change any aspect of the corporate structure of the Novelis Group as described in Schedule 2.02(i) for a period of two years after the Effective Time whether through a merger, an amalgamation, a liquidation, a dissolution, a retraction of shares, a redemption of shares, a sale of shares, a purchase of shares, a transfer of shares, an issuance of shares, the payment of a dividend in kind or in shares, a sale of assets or any similar transaction, except if such transaction is described in the Plan of Arrangement, without the prior written consent of Alcan, not to be unreasonably withheld or delayed; and
- (j) Novelis represents as at the date hereof, warrants and covenants to and in favour of Alcan and AC as follows:
- (i) for United States federal income tax purposes, Novelis plans and intends to and shall from the date of this Agreement until two years after the U.S. Separation Date (A) maintain AAC's status as a corporation directly engaged in the active conduct of the AAC Business, and (B) take all actions to carry out, and not take any action that would prevent or be inconsistent with the completion of, the transactions



-13-

- (ii) there is no plan or intention to, and no Person will from the date of this Agreement until two years after the U.S. Separation Date (A) take any action that would result in AAC ceasing to be directly engaged in the active conduct of the AAC Business, (B) redeem or otherwise repurchase (directly or through an Affiliate of AAC, Arcustarget or Novelis, or any of their respective successors) any of AAC's, Arcustarget's or Novelis' outstanding stock, other than through stock purchases meeting certain United States federal income tax requirements (other than the redemption of the Novelis Special Shares as part of the Arrangement), (C) amend the Constituent Documents of AAC, Arcustarget or Novelis, or any of their respective successors or take any similar action that would affect the relative voting rights of separate classes of their respective stock or convert one class of AAC's, Arcustarget's or Novelis' stock into another class of their respective stock, (D) liquidate or partially liquidate AAC or its Subsidiaries, (E) merge AAC, Arcustarget or Novelis with any other corporation (otherwise than by the amalgamation of Arcustarget and Novelis as part of the Arrangement) or sell or otherwise dispose of (other than in the ordinary course of AAC's, Arcustarget's or Novelis' respective businesses) the assets of AAC or its Subsidiaries, and (F) take any other action or actions that in the aggregate would likely have the effect that any Person (other than Novelis or Arcustarget as part of the Plan of Arrangement) will acquire, as part of a plan or series of related transactions, stock of AAC, Arcustarget or Novelis (or any of their respective successors) representing a 50% Interest in AAC, Arcustarget or Novelis (or their respective successors);

2.03 REPRESENTATIONS, WARRANTIES AND COVENANTS OF AC IN FAVOUR OF AAC AND NOVELIS

AC represents as at the date hereof, warrants and covenants to and in favour of AAC and Novelis as follows:

- (a) to the fullest extent possible under United States federal income and state Tax laws, it shall, and it shall cause its Affiliates to, treat the Separation as tax-free under Sections 355 and 368(a)(1)(D) for all United States federal and state Tax purposes;
- (b) for United States federal income tax purposes,
  - (i) AC has the plan and intention to, and will from the date of this Agreement until two years after the U.S. Separation Date (A) maintain AC's status as a corporation directly engaged in the active conduct of the AC Business, and (B) take all actions necessary to carry out, and not take any action that would prevent or be inconsistent with the completion of, the transactions contemplated by the Separation Agreement; and
  - (ii) there is no plan or intention to, and no Person will from the date of this Agreement until two years after the U.S. Separation Date (A) take any

-14-

action that would result in AC ceasing to be directly engaged in the active conduct of the AC Business, (B) redeem or otherwise repurchase (directly or through an Affiliate of AC or Alcan), any of AC's or Alcan's outstanding stock, other than as part of the Arrangement or through stock purchases meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30, 1996-1 C.B. 696, (C) amend the Constituent Documents of AC or Alcan or take any similar action that would affect the relative voting rights of separate classes of their respective stock or convert one class of AC's or Alcan's stock into another class of their respective stock, (D) liquidate or partially liquidate AC, (E) merge AC or Alcan with any other corporation or sell or otherwise dispose of (other than in the ordinary course of business) the assets of the AC Business, and (F) take any other action or actions that in the aggregate would likely

have the effect that any Person (other than pursuant to the Separation Agreement) will acquire, as part of a plan or series of related transactions, stock of AC or Alcan representing a 50% Interest in AC or Alcan (or their respective successors);

- (c) AC covenants that it shall not, and that it shall cause its Affiliates not to, take any action that would be inconsistent with any of the representations, warranties or covenants contained in this Section 2.03; and
- (d) AC covenants that it shall not, and it shall cause each other member of the AC Group not to, make any Tax election, pay or cause to be paid any distribution from an Affiliate or take any other action that could cause an actual increase in the Taxes for which a member of the AAC Group is responsible or that will cause an actual reduction in the amount of any refund of Taxes payable to a member of the AAC Group other than as a result of transactions forming part of the Separation.

2.04 REPRESENTATIONS, WARRANTIES AND COVENANTS OF AAC IN FAVOUR OF AC AND ALCAN

AAC represents as at the date hereof, warrants and covenants to and in favour of AC and Alcan as follows:

- (a) to the fullest extent possible under United States federal income and state tax laws, it shall, and shall cause its Affiliates to, treat the Separation as tax-free under Sections 355 and 368(a)(1)(D) for all United States federal and state purposes;
- (b) for United States federal income tax purposes,
  - (i) AAC has the plan and intention to, and will from the date of this Agreement until two years after the U.S. Separation Date (A) maintain AAC's status as a corporation directly engaged in the active conduct of the AAC Business, and (B) take all actions necessary to carry out, and not

-15-

take any action that would prevent or be inconsistent with the completion of, the transactions contemplated by the Separation Agreement; and

- (ii) there is no plan or intention to, and no Person will from the date of this Agreement until two years after the U.S. Separation Date (A) take any action that would result in AAC ceasing to be directly engaged in the active conduct of the AAC Business, (B) redeem or otherwise repurchase (directly or through an Affiliate of AAC, Arcustarget or Novelis, or any of their respective successors) any of AAC's, Arcustarget's or Novelis' outstanding stock, other than as part of the Arrangement or through stock purchases meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30, 1996-1 C.B. 696, (C) amend the Constituent Documents of AAC, Arcustarget or Novelis or any of their respective successors other than as part of the Arrangement, or take any similar action that would affect the relative voting rights of separate classes of their respective stock or convert one class of AAC's, Arcustarget's or Novelis' stock into another class of their respective stock, (D) liquidate or partially liquidate AAC or its Subsidiaries, (E) merge AAC, Arcustarget or Novelis with any other corporation (otherwise than by the amalgamation of Arcustarget and Novelis as part of the Arrangement) or sell or otherwise dispose of (other than in the ordinary course of AAC's, Arcustarget's or Novelis' respective businesses) the assets of AAC or its Subsidiaries, and (F) take any other action or actions that in the aggregate would likely have the effect that any Person (other than Novelis or Arcustarget pursuant to the Separation Agreement) will acquire, as part of a plan or series of related transactions, stock of AAC, Arcustarget or Novelis (or any of their respective successors) representing a 50% Interest in AAC, Arcustarget, Novelis (or their respective successors); and
  - (c) Novelis and AAC covenant that they shall not, and that they shall cause each other member of the AAC Group not to, make any Tax election, pay or cause to be paid any distribution from an Affiliate or take any other action that could cause an actual increase in the Taxes for which a member of the AC Group is responsible or that will cause an actual reduction in the amount

of any refund of Taxes payable to a member of the AC Group other than as a result of transactions forming part of the Separation.

2.05 REPRESENTATIONS, WARRANTIES AND COVENANTS OF NOVELIS AND ARCUSTARGET IN FAVOUR OF AC

[SHOULD ALSO BE GIVEN BY ARCUSTARGET]

Novelis and Arcustarget represent as at the date hereof, warrant and covenant to and in favour of AC as at the date hereof as follows:

- (a) For United States federal income tax purposes,

-16-

- (i) Novelis and Arcustarget have the plan and intention to, and will from the date of this Agreement until two years after the U.S. Separation Date (A) maintain AAC's status as a corporation engaged in the active conduct of the AAC Business, and (B) take all actions necessary to carry out, and not take any action that would prevent or be inconsistent with the completion of, the transactions contemplated by the Separation Agreement; and
- (ii) there is no plan or intention to, and no Person will from the date of this Agreement until two years after the U.S. Separation Date (A) take any action that would result in AAC ceasing to be directly engaged in the active conduct of the AAC Business, (B) redeem or otherwise repurchase (directly or through an Affiliate of AAC, Arcustarget or Novelis, or any of their respective successors) any of AAC's, Arcustarget's or Novelis' outstanding stock, other than as part of the Arrangement or through stock purchases meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30, 1996-1 C.B. 696, (C) amend the Constituent Documents of AAC, Arcustarget or Novelis (or any of their respective successors) other than as part of the Arrangement or take any similar action that would affect the relative voting rights of separate classes of their respective stock or convert one class of AAC's, Arcustarget's or Novelis' stock into another class of their respective stock, (D) liquidate or partially liquidate AAC or its Subsidiaries, (E) merge AAC, Arcustarget or Novelis with any other corporation (otherwise than by the amalgamation of Arcustarget and Novelis as part of the Arrangement) or sell or otherwise dispose of (other than in the ordinary course of AAC's, Arcustarget's or Novelis' respective businesses) the assets of AAC or its Subsidiaries, and (F) take any other action or actions that in the aggregate would likely have the effect that any Person (other than Novelis or Arcustarget pursuant to the Separation Agreement) will acquire, as part of a plan or series of related transactions, stock of AAC, Arcustarget or Novelis (or any of their respective successors) representing a 50% Interest in AAC, Arcustarget or Novelis (or their respective successors); and
- (b) Novelis and Arcustarget covenant that they shall not, and that they shall cause their Affiliates not to, take any action that would be inconsistent with any of the representations, warranties or covenants contained in this Section 2.05.

2.06 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

- (a) The representations and warranties of the Parties contained in this Article II shall survive the Effective Date until sixty (60) days after the expiry of all applicable prescription periods or statute of limitations (giving effect to any waiver, mitigation or extension thereof) after which no assessment, reassessment or other notice or document assessing liability for Taxes for a taxation year or taxable period (or other relevant period) may be issued to the relevant Party pursuant to any Applicable Law.

-17-

- (b) Except as otherwise expressly set out herein, the covenants under this Article II shall survive indefinitely.

3.01 INDEMNIFICATION BY ALCAN

Alcan shall indemnify, defend and hold harmless Novelis and each other member of the 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 relating to, arising out of or resulting from a breach of a representation, warranty or covenant of Alcan or AC in this Agreement.

3.02 INDEMNIFICATION BY NOVELIS

Novelis shall indemnify, defend and hold harmless Alcan and each other member of the Alcan Group and each of their respective directors, officers and employees, and each of the heirs, executors, trustees, administrators, successor and assigns of any of the foregoing (collectively, the "ALCAN INDEMNIFIED PARTIES"), from and against any and all Liabilities of the Alcan Indemnified Parties relating to, arising out of or resulting from a breach of a representation, warranty or covenant of Novelis or AAC in this Agreement.

3.03 INDEMNIFICATION IN THE EVENT OF MUTUAL BREACH

Notwithstanding Sections 3.01 and 3.02 of this Agreement, Alcan shall not be liable to indemnify any Novelis Indemnified Party, and Novelis shall not be liable to indemnify any Alcan Indemnified Party, from and against any Liability relating to, arising out of or resulting from the application of the Tax Act, or any other similar or equivalent Canadian federal or provincial or foreign Tax legislation to (x) the transactions described in the Canadian Tax Ruling in a manner inconsistent with such ruling or (y) the transactions forming part of the Separation in a manner inconsistent with the Tax Framework, if such Liability is caused by the combined and simultaneous action of both (i) one or more members of the Alcan Group and (ii) one or more members of the Novelis Group.

3.04 Indemnification in the Event of a Triggering Event

If (i) the Tax consequences to the transactions described in the Canadian Tax Ruling differ from those set out in the Canadian Tax ruling or if the Tax consequences to the transactions forming part of the Separation differ from those set out in the Tax Framework, (ii) Sections 3.01, 3.02 and 3.03 do not apply and (iii) such different Tax consequences result from a Triggering Event, Novelis shall indemnify the Alcan Indemnified Parties from and against any Liability relating to, arising out of or resulting from such different Tax consequences under the Tax Act or any other similar or

-18-

equivalent Canadian federal or provincial Tax legislation or the Code, even if such Triggering Event does not result from any action or omission of any member of the Novelis Group.

3.05 Indemnification in Other Circumstances

If the Tax consequences to the transactions described in the Canadian Tax Ruling differ from those set out in the Canadian Tax Ruling or if the Tax consequences to the transactions forming part of the Separation differ from those set out in the Tax Framework and Sections 3.01, 3.02, 3.03 and 3.04 do not apply, then no indemnity shall be provided for under this agreement except in the circumstances and to the extent provided for in Sections 4 to 7 and 11.

3.06 EVENT OF LAST ACT

For greater certainty:

- (a) Alcan will be liable under Section 3.01 of this Article III and Novelis will not be liable under Section 3.02 of this Article III even though the action of the member of the Alcan Group that precipitated the Liability of Alcan was preceded by one or more actions of one or more members of the Novelis Group that, in and by themselves, would not have precipitated the Liability of Novelis;
- (b) Novelis will be liable under Section 3.02 of this Article III and Alcan will not be liable under Section 3.01 of this Article III even though the action of the member of the Novelis Group that precipitated the Liability of Novelis was preceded by one or more actions of one or more members of the Alcan Group that, in and by

themselves, would not have precipitated the Liability of Alcan;

- (c) Novelis will be liable under Section 3.04 of this Article III and Alcan will not be liable under Section 3.01 of this Article III even though the last action that made a Triggering Event happen was preceded by one or more actions of one or more members of the Alcan Group that, in and by themselves, would not have precipitated the Liability of Alcan.

ARTICLE IV -  
GENERAL LIABILITY FOR TAXES FOR PRE-SEPARATION PERIOD

4.01 GENERAL LIABILITY

- (a) Except as set forth in Section 7.02, Novelis and the members of the Novelis Group shall be liable for and shall indemnify and hold harmless any member of the Alcan Group against Taxes relating to the Pre-Separation Period of any Person that is a member of the Novelis Group immediately following the Effective Time.
- (b) Except as set forth in Section 7.02, Alcan and the members of the Alcan Group shall be liable for and shall indemnify and hold harmless any member of the

-19-

Novelis Group against Taxes relating to the Pre-Separation Period of any Person that is a member of the Alcan Group immediately following the Effective Time.

ARTICLE V -  
GENERAL LIABILITY FOR TAXES FOR THE POST-SEPARATION PERIOD

5.01 GENERAL LIABILITY

- (a) Except as set forth in Section 7.02, Novelis and the members of the Novelis Group shall be liable for and shall indemnify and hold harmless any member of the Alcan Group against Taxes relating to the Post-Separation Period of any Person that is a member of the Novelis Group immediately following the Effective Time.
- (b) Except as set forth in Section 7.02, Alcan and the members of the Alcan Group shall be liable for and shall indemnify and hold harmless any member of the Novelis Group against Taxes relating to the Post-Separation Period of any Person that is a member of the Alcan Group immediately following the Effective Time.

ARTICLE VI -  
ALLOCATION OF LIABILITIES FOR TRANSFER TAXES

6.01 GENERAL ALLOCATION

Each Person that acquires property of any kind in the course of the Reorganization will be liable for the Transfer Taxes payable in respect thereof.

ARTICLE VII -  
YEAR END AND DISAFFILIATION

7.01 YEAR END

To the extent permitted by law or administrative practice, the taxable year or taxable period of any Person that is a member of the Novelis Group immediately following the Separation and whose taxable year or taxable period does not end on or immediately before the Disaffiliation Date, shall close on or immediately before the Disaffiliation Date; such taxable year or taxable period shall be considered a Pre-Separation Period.

7.02 LIABILITIES RELATING TO PRE-SEPARATION PERIODS FOR TAX CONSOLIDATED GROUPS

- (a) Notwithstanding Sections 4.01 and 5.01 and subject to Applicable Law:
  - (i) if, in the course of or as a result of the Separation, a Person ceases to be part of an Alcan Tax Consolidated Group and such Person is a member of the Novelis Group immediately

after the Disaffiliation Date (a "FORMER MEMBER"), Novelis shall be liable for and shall indemnify and hold the

-20-

Alcan Group harmless against (A) any Tax liability of such Former Member for any Pre-Separation Period, as determined in a manner consistent with past practice and in accordance with the Alcan Group's intergroup method of income tax allocation, or, in the absence thereof, any other permissible allocation methodology as determined by Alcan, and (B) any Tax liability resulting from a Final Determination with respect to an adjustment attributable to such Former Member for any Pre-Separation Period. Such Former Member shall be entitled to any refund of, or credit for, Taxes of such Former Member or amounts owed by such Former Member or for which such Former Member is responsible under this paragraph (i) of this Section 7.02 (a). Any liability for Taxes under this paragraph (i) of this Section 7.02 (a) shall be measured by the relevant Alcan Tax Consolidated Group's actual liability for Taxes after applying tax benefits otherwise available to the Alcan Tax Consolidated Group other than tax benefits that the Alcan Tax Consolidated Group in good faith determines would actually offset Tax liabilities of the Alcan Tax Consolidated Group in other taxable years or periods. Any right to refund under this paragraph (i) of this Section 7.02 (a) shall be measured by the actual refund or credit of the Alcan Tax Consolidated Group attributable to the adjustment without regard to offsetting Tax attributes or liabilities of the Alcan Tax Consolidated Group;

- (ii) Alcan shall be liable for and shall hold such Former Member harmless against any liability attributable to any member of the Alcan Tax Consolidated Group (other than Persons who, immediately following the Disaffiliation Date, are members of the Novelis Group) for any Pre-Separation Period, including any liability asserted against any member of an Alcan Tax Consolidated Group under provisions that impose several liability on members of an affiliated group of corporations that files consolidated returns in respect of Taxes of any member of such Alcan Tax Consolidated Group (other than Persons who, immediately following the Separation, are members of the Novelis Group). Alcan shall be entitled to any refund of or credit for Taxes for any periods that are attributable to such Alcan Tax Consolidated Group or amounts owed by such Alcan Tax Consolidated Group or for which such Alcan Tax Consolidated Group is responsible under this paragraph (ii) of this Section 7.02.
- (b) If, in the course of or as a result of the Separation, a Former Member ceases to be a part of an Alcan Tax Consolidated Group, Alcan shall determine and Novelis shall cause such Former Member to pay the final amount owed, if any, under clause (A) of of Section 7.02 (a) (i) for the Fiscal Year 2004 Stub Period as follows:
  - (i) within sixty (60) days from the Disaffiliation Date, Novelis shall and shall cause such Former Member to provide Alcan with a complete information package for income tax purposes in the customary Alcan format of such Former Member's Fiscal Year 2004, setting forth the operating and

-21-

- nonoperating tax and financial results in sufficient detail to enable Alcan to compute such Former Member's Fiscal Year 2004 Tax liability;
- (ii) Alcan will calculate in accordance with the principles of this Agreement and consistent with past practice an estimate of such Former Member's Fiscal Year 2004 Stub Period tax liability and submit the calculation to such Former Member within thirty (30) days after the date on which the tax package described in paragraph (i) of this Section 7.02 (b) is provided to Alcan;
- (iii) the Former Member shall have the right to object in writing to such calculation within (30) days after the date on which the tax package described in paragraph (i)

of this Section 7.02 (b) is provided to Alcan, on the grounds that there is substantial authority that such calculation is incorrect; provided that if the Former Member so objects:

- (1) Alcan and the Former Member shall promptly submit the dispute to an independent accounting or law firm acceptable to both Alcan and the Former Member for prompt resolution, whose decision shall be final and binding on Alcan and the Former Member; and
  - (2) the party that such accounting or law firm determines has lost the dispute shall pay all of the fees and expenses incurred in connection with submitting such dispute;
  - (iv) the Former Member shall pay to Alcan the amount determined according to paragraphs (ii) and (iii) of this Section 7.02 (b) at least [FIVE (5)] Business Days prior to the date on which such amount is payable to the competent Tax Authority; and
  - (v) a determination of the final amount owed, if any, under paragraphs (ii) and (iii) of this Section 7.02 (b) by the Former Member to Alcan shall be made when the Alcan Tax Consolidated Group's Fiscal Year 2004 Tax Returns are filed and such final amount shall be paid within thirty (30) days from the date Alcan notifies the Former Member of any additional amounts due, together with interest thereon from the date on which such Tax Return is filed, and amounts or owed by Alcan to the Former Member as a refund of an overpayment shall be refunded by Alcan within thirty (30) days, together with interest thereon from the date on which Alcan receives a refund of such amount.
- (c) To the extent permitted under applicable Tax laws, Novelis shall and shall cause each Former Member to make the appropriate elections to waive any option to carryback any net operating loss, any credits or any similar item to Pre-Separation Periods in respect of any Tax Returns that are filed by or for an Alcan Tax Consolidated Group. To the extent such an election is not permitted under applicable Tax laws, any Former Member shall be entitled to carryback any net

-22-

operating loss or other item from a Post-Separation Period to a Straddle Period, except to the extent that Alcan determines in good faith that such action will cause an actual increase in the Taxes for which the Alcan Group is responsible or will cause an actual reduction in the amount of any refund of Taxes payable to the Alcan Group. Any refund of Taxes resulting from any such carryback by a Former Member shall be payable to such Former Member not later than twenty (20) days after the receipt or crediting of a refund together with interest thereon from the date on which the refund (together with the interest thereon) is actually received or credited.

- (d) Subject to paragraphs (a) to (c) of this Section 7.02, if, in the course of or as a result of the Separation, a Former Member ceases to be a part of an Alcan Tax Consolidated Group, the following rules shall apply:
- (i) the disaffiliation or deconsolidation of such Person from the Alcan Tax Consolidated Group shall be treated according to Applicable Law;
  - (ii) if, under Applicable Law, there is more than one method of implementing or treating such disaffiliation or deconsolidation or if elections can or are required to be made in connection with such disaffiliation or deconsolidation, Alcan shall, in its sole discretion, choose the proper method or treatment and make the relevant election or decide how any such election should be made, in which case, Novelis and the members of the Novelis Group shall be bound by Alcan's choice and elections. Novelis shall and shall cause all member of the Novelis Group to file all Tax Returns consistent with Alcan's choice and elections and, where required, join in the making of the relevant elections and otherwise cooperate with Alcan;

- (iii) if Applicable Law is silent about such disaffiliation or deconsolidation, Alcan shall decide, in its sole discretion, how such withdrawal should be implemented or treated, and Novelis and the members of the Novelis Group shall be bound by any decision made by Alcan in this respect and shall be required to take whatever action is required to give effect to such decision. Novelis shall and shall cause all member of the Novelis Group to file all Tax Returns consistent with Alcan's choice and elections and, where required, join in the making of the relevant elections and otherwise cooperate with Alcan.

#### ARTICLE VIII - CONTROL OF TAX CHALLENGES

##### 8.01 CONTROL OF CHALLENGE OF TAX CLAIMS

- (a) Subject to Sections 8.02 and 8.03 of this Agreement, if a member of the Alcan Group or a member of the Novelis Group (the "INDEMNIFIED PARTY") receives a Claim that could give rise to an indemnification under this Agreement, the Indemnified Party, if a member of the Alcan Group, shall promptly notify Novelis, and if a member of the Novelis Group shall notify

-23-

Alcan, (in each case the recipient of the notification being the "INDEMNITOR").

- (b) The Indemnified Party agrees to contest any Claim and not to settle any Claim without the prior written consent of the Indemnitor, provided that within thirty (30) days after notice of a Claim by the Indemnified Party to the Indemnitor:
  - (i) the Indemnitor requests in writing that such Claim be contested by the Indemnified Party;
  - (ii) the Indemnitor shall have provided an opinion of an independent tax counsel, selected by the Indemnitor and reasonably acceptable to the Indemnified Party, to the effect that it is more likely than not that a Final Determination will be substantially consistent with the Indemnitor's position relating to such Claim; and
  - (iii) the Indemnitor agrees in writing to pay on demand and pays all out-of-pocket costs, losses and expenses (including, but not limited to, legal and accounting fees) paid or incurred by the Indemnified Party in connection with contesting such Claim.
- (c) Where a Claim is being contested, and regardless of whether the Indemnified Party is a member of the Alcan Group or the Novelis Group, Alcan shall determine, in its sole discretion, the nature of all actions to be taken to contest such Claim, including:
  - (i) whether any action to contest such Claim shall initially be by way of judicial or administrative proceeding, or both;
  - (ii) whether any such Claim shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof; and
  - (iii) the court or other judicial body before which judicial action, if any, shall be commenced.
- (d) The Indemnitor shall be entitled to participate in contesting any such Claim at its own expense. To the extent the Indemnitor is not participating, the Indemnified Party shall keep the Indemnitor and, upon written request by the Indemnitor, its counsel, informed as to the progress of the contest.
- (e) If the Indemnitor requests that the Indemnified Party accept a settlement of a Claim offered by a Taxing Authority and if such Claim may, in the reasonable discretion of the Indemnified Party, be settled without prejudicing any claims a Taxing Authority may have with respect to matters other than the transactions contemplated by the Separation Agreement, the Indemnified Party shall either:
  - (i) accept such settlement offer; or



- (ii) agree with the Indemnitor that the Indemnitor's liability with respect to such Claim shall be limited to the lesser of (A) an amount calculated on the basis of such settlement offer plus interest owed to the Taxing Authority on the date of eventual payment, or (B) the amount calculated on the basis of a Final Determination.
- (f) Except as provided below in this paragraph (f), the Indemnified Party shall not settle a Claim that the Indemnitor is entitled to require the Indemnified Party to contest under paragraph (b) of this Section 8.01 without the prior written consent of the Indemnitor. At any time, whether before or after commencing to take any action pursuant to this Section 8.01 with respect to any Claim, the Indemnified Party may decline to take action with respect to such Claim and may settle such Claim without the prior written consent of the Indemnitor by notifying the Indemnitor in writing that the Indemnitor is released from its obligations to indemnify the Indemnified Party with respect to such Claim (which notification shall release the Indemnitor from such obligations except to the extent the Indemnitor has previously agreed in writing that it would be willing to have its liability calculated on the basis of a settlement offer in accordance with paragraph (e) of this Section 8.01 with respect to any Claim related to such Claim or based on the outcome of such Claim. If the Indemnified Party settles any Claim or otherwise takes or fails to take any action pursuant to this paragraph, the Indemnified Party shall pay to the Indemnitor any amounts paid or advanced by the Indemnitor with respect to such Claim (other than amounts payable by the Indemnitor in connection with a settlement offer pursuant to paragraph (e) of this Section 8.01)), plus interest attributable to such amounts.

#### 8.02 CERTAIN SPECIFIED TAX CLAIMS

Notwithstanding Section 8.01 of this Agreement, Alcan shall have sole responsibility for all Claims listed in Schedule 8.02 to this Agreement and shall have the absolute right to enjoy any benefits of, and the obligation to bear the costs of, any such challenge.

#### ARTICLE IX - COOPERATION, RECORD RETENTION AND CONFIDENTIALITY

#### 9.01 COOPERATION AND RECORD RETENTION

- (a) Alcan shall and shall cause each other member of the Alcan Group to, and Novelis shall and shall cause each other member of the Novelis Group to, cooperate with any member of the other Group in the conduct of any audit or the proceedings in respect of a Pre-Separation Period or Straddle Period. Alcan shall and shall cause each other member of the Alcan Group to, and Novelis shall and shall cause each other member of the Novelis Group to, execute and deliver such powers of attorney and make available such other documents as are reasonably necessary to carry out the intent of this Agreement. Alcan shall and shall cause each other member of the Alcan Group to notify Novelis in writing, and Novelis

shall and shall cause each other member of the Novelis Group to notify Alcan in writing, of any audit adjustments which do not result in Tax liability but can be reasonably expected to affect Tax Returns of a member of the other Group for any Period.

- (b) Alcan shall and shall cause each other member of the Alcan Group to, and Novelis shall and shall cause each other member of the Novelis Group to, in accordance with their respective current record retention policies and all Applicable Laws, retain records, documents, accounting data and other information (including computer data) necessary for the preparation, filing, review or audit of any Tax Returns in respect of any Pre-Separation Period or Straddle Period.
- (c) Alcan shall and shall cause each other member of the Alcan Group to, and Novelis shall and shall cause each other member of the Novelis Group to, provide to any member of the other Group reasonable access to such records, documents, data and information and to personnel and premises and ensure the cooperation of such personnel for the purpose of the review or

audit of any Tax Returns in respect of any Pre-Separation Period or Straddle Period.

- (d) Novelis shall provide and shall cause each other member of the Novelis Group to provide to Alcan access to such records, documents, data, information, personnel and premises of Novelis and of the other relevant members of the Novelis Group as may be required by Alcan to comply with the Canadian tax regime applicable to Canadian foreign affiliates or to transfer pricing. Without limiting the generality of the foregoing, Novelis shall cause each other member of the Novelis Group that was a foreign affiliate of Alcan before the Separation, upon request by Alcan, to:
- (i) respond in full to the annual questionnaire of the CRA concerning foreign affiliates (generally known as the "Foreign Affiliate Reporting Package") within 3 months of the receipt of such questionnaire;
  - (ii) provide Alcan with complete financial statements;
  - (iii) respond to questions concerning Form T-106 within one (1) month of receipt; and
  - (iv) respond promptly to other relevant questions for the purposes of the foreign affiliate regime or the transfer-pricing regime in all cases for any Pre-Separation Period or a Straddle Period.

#### 9.02 Confidentiality

- (a) Alcan shall and shall cause each other member of the Alcan Group to (i) treat in a confidential manner all information and data relating to Novelis and every other member of the Novelis Group that it may receive or have access to pursuant to the provisions of this Agreement and (ii) not disclose any such information to any

-26-

third party except (A) to the extent required by law or by an order from a competent tribunal, (B) to the extent required to interpret, give effect to or enforce this Agreement, (C) to tax, audit or legal professionals on a need-to-know basis, or (D) with the prior written consent of Novelis.

- (b) Novelis shall and shall cause each other member of the Novelis to (i) treat in a confidential manner all information and data relating to Alcan and every other member of the Alcan Group that it may receive or have access to pursuant to the provisions of this Agreement and (ii) not disclose any such information to any third party except (A) to the extent required by law or by an order from a competent tribunal, (B) to the extent required to interpret, give effect to or enforce this Agreement, (C) to tax, audit or legal professionals on a need-to-know basis, or (D) with the prior written consent of Alcan.

#### ARTICLE X - TAX RETURNS

#### 10.01 TAX RETURNS

- (a) Alcan shall prepare or cause to be prepared all Tax Returns with respect to members of the Novelis Group, including those Tax Returns that are filed on a consolidated, combined or unitary basis, that are required to be filed in respect of any Pre-Separation Period or Straddle Period and Novelis shall or shall cause such Tax Returns to be filed by the member customarily responsible for the filing of such Tax Returns within the period prescribed therefor.
- (b) In respect of any Period other than a Pre-Separation Period or a Straddle Period,
- (i) Alcan shall, and shall cause each other responsible member of the Alcan Group to, file or cause to be filed all Tax Returns with respect to members of the Alcan Group, and
  - (ii) Novelis shall, and shall cause each other responsible member of the Novelis Group to, file or cause to be filed all Tax Returns with respect to members of the Novelis Group.

- (c) No member of the Novelis Group shall amend any of its Tax Returns for any Pre-Separation Period or Straddle Period without the prior written consent of Alcan, such consent not to be unreasonably withheld or delayed. For the purpose of the preceding sentence, it shall not be unreasonable for Alcan to withhold its consent where such amendment would negatively impact Alcan or any other member of the Alcan Group as determined by Alcan in its sole discretion.

-27-

- (d) For the purposes of paragraph (a) of this Section 10.01, Alcan shall be entitled:
- (i) to conclusively rely on any information or data supplied to it by any member of the Novelis Group or by the auditors, advisors or representatives of any member of the Novelis Group; and
  - (ii) subject to paragraph (b) of Section 7.02, make all determinations or decisions that are of an elective or discretionary nature.

ARTICLE XI -  
TRANSFER PRICING ISSUES

11.01 TRANSFER PRICING ISSUES

- (a) If any Taxing Authority proposes to increase the income of a member of the Alcan Group or of the Novelis Group (the "FIRST GROUP") as a result of the supply of property or services by such member of the First Group to a member of the other group (the "SECOND GROUP") or by a member of the Second Group to such member of the First Group on the basis of any affiliation or other relationship between such persons, such member of the First Group shall notify the Second Group. The Parties acknowledge the existence of the adjustments and proposed adjustments set out in Schedule 11.01 to this Agreement and such schedule shall serve as notification to Novelis in respect of such adjustments and proposed adjustments.
- (b) The member of the First Group shall have the right to challenge such proposed adjustment, in which case the relevant member of the Second Group shall cooperate with the relevant member of the First Group including, if so requested by the relevant member of the First Group, to (i) seek a determination in respect of such proposed adjustment from the Taxing Authority in any jurisdiction in which the relevant member of the Second Group is resident or carries on business or (ii) challenge such proposed adjustment in any such jurisdiction. The relevant member of the First Group shall reimburse the relevant member of the Second Group for all its reasonable out-of-pocket expenses incurred for this purpose.
- (c) Once a Final Determination has been made by the relevant Taxing Authority with respect to the proposed adjustment, or if the relevant member of the First Group decides not to challenge the proposed adjustment, then the relevant member of the Second Group shall pay to the relevant member of the First Group an amount equal to Tax savings (including interest) or other relief that the relevant member of the Second Group will achieve or obtain as a result of such adjustment. If the tax savings or other relief are in the form of a reduction of cash Taxes for the same year or a preceding year, the amount payable by the relevant member of the Second Group shall be equal to the amount of such Tax savings. In any other case, the amount of the payment shall be equal to the net present value of such Tax savings or other relief using an annual discount rate of 8%. Any such

-28-

payment shall be treated as a payment for the supply of property or services by the relevant member of the First Group to the relevant member of the Second Group which gave rise to the relevant adjustment. In the event that the relevant member of the First Group disagrees with the amount of the Tax savings achieved by the relevant member of the Second Group in any jurisdiction as determined by the Taxing Authority in such jurisdiction,

paragraph (b) of this Section 11.01 shall apply mutatis mutandis.

- (d) No member of the Novelis Group shall request or initiate any adjustment described above without the prior written consent of Alcan.
- (e) These principles set out in this Section 12.01 shall apply to (i) transactions that have already given rise to an adjustment or proposed adjustment by a Taxing Authority, (ii) transactions completed before the Effective Date that, as of the Effective Date, have not given rise to an adjustment or proposed adjustment and (iii) transactions completed on or after the Effective Date.

ARTICLE XII -  
DISPUTE RESOLUTION

12.01 DISPUTE RESOLUTION AGREEMENT TO APPLY

Save as provided for in paragraph (c) of Section 11.01, the Dispute Resolution Agreement 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.

ARTICLE XIII -  
MISCELLANEOUS

13.01 EFFECT ON OTHER TAX SHARING AGREEMENTS

Any and all prior tax sharing agreements or practices between any member of the Alcan Group and any member of the Novelis Group shall be terminated and superseded by this Agreement on the Effective Date (or, in the case of the United States, the Date of the U.S. Internal Distribution).

13.02 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 Parties.

-29-

13.03 ENTIRE AGREEMENT

This Agreement and the Separation Agreement, the schedules and exhibits 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, oral or written, 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.

13.04 INCONSISTENCIES WITH SEPARATION AGREEMENT

Where any inconsistency between a provision of this Agreement and a provision of the Separation Agreement arises as regards to taxation matters, the provisions of this Agreement shall prevail.

13.05 GOVERNING LAW

- (a) Subject to paragraph (b) of this Section 14.05, this Agreement shall be governed by and construed and interpreted in accordance with the laws applicable in the Province of Quebec, irrespective of conflict of laws principles under Quebec law, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.
- (b) The interpretation or application of this Agreement to matters pertaining to Taxes that are assessed or payable in jurisdictions other than Canada shall be governed by the laws of that other jurisdiction irrespective of conflict of laws principles under the laws of such jurisdiction, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies, and where such other jurisdiction is

the United States, the laws of the State of New York shall apply.

13.06 DISCLAIMER REGARDING TAX ATTRIBUTES

Except as otherwise provided in this Agreement, no representation or warranty is being made by Alcan or any member of the Alcan Group in this Agreement regarding the tax attributes of the properties or entities that are to be transferred, directly or indirectly, to Arcustarget or Novelis as part of the Reorganization or the Arrangement.

13.07 TAX SERVICES

For a period of two (2) years following the Effective Date, Novelis shall and shall cause each other member of the Novelis Group not to use the services in the area of taxation of any accounting or law firm that rendered professional services in the area of taxation to Alcan or to any member of the Alcan Group in connection with the Separation, except with the prior written consent of Alcan.

-30-

13.08 TAX LIABILITY

For the purposes of Articles IV, V, VI, VII and XI of this Agreement, when, under Applicable Law, the primary liability for a Tax rests with one person but another person is also liable to pay such Tax or any portion thereof (or an amount equal to such Tax or any portion thereof) due to the relationship between such persons or as a result of a payment or other transaction between such persons, such Tax shall be considered as a Tax of the first person and not as a Tax of the second person.

13.09 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 day 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 Alcan, to:

Alcan Inc.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2  
Fax: 514-848-8436  
Attention: Chief Legal Officer

With a copy to:

Alcan Inc.  
1188 Sherbrooke Street West  
Montreal, Quebec  
H3A 3G2  
Fax: 514-848-8115  
Attention: Chief Tax Officer

If to Novelis or Arcustarget, to

Novelis Inc.  
o

If to AC, to

Alcan Corporation  
o

-31-

If to AAC, to

Novelis Corporation  
o

Any Party may, by notice to the other Parties, change the address or

facsimile number to which such notices are to be given.

13.10 INTEREST

Where in this Agreement an amount of interest is stipulated to be payable, such interest shall be computed at an annual rate of 7% unless otherwise specified.

13.11 ASSIGNABILITY

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and thereto, respectively, and their respective successors and assigns; provided, however, that no Party hereto may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party, not to be unreasonably withheld or delayed.

13.12 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.

13.13 WAIVERS OF DEFAULT

Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party.

13.14 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.

-32-

13.15 FURTHER ASSURANCES

Each of the Parties will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all further acts, documents and things as the other Party to this Agreement may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take any steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

[The remainder of this page is intentionally blank.]

-33-

IN WITNESS WHEREOF, the Parties have caused this Tax Sharing and Disaffiliation Agreement to be executed by their duly authorized representatives.

<TABLE>

<S>

<C>

ALCAN INC.

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

Name: o

Title: o

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

Name: o

Title: o

NOVELIS INC.

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

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

ARCUSTARGET INC.

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

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

</TABLE>

-34-

<TABLE>  
<S>

<C>

ALCAN CORPORATION

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

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

NOVELIS CORPORATION

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

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

</TABLE>

-35-

SCHEDULE 2.02(i)

Corporate Structure of the Novelis Group After the Separation

o

-36-

SCHEDULE 8.02

Tax Claims That Are The Sole Responsibility of Alcan

o

SCHEDULE 11.01

Transfer Pricing Adjustments

o



DATED

2004

TOLLING AGREEMENT  
FOR  
PET FOOD CONTAINERS

BETWEEN

ALCAN PACKAGING ZUTPHEN B.V.

AND

ALCAN DEUTSCHLAND GMBH

CONTENTS

CLAUSE	PAGE
1	DEFINITIONS.....3
2	DURATION.....5
3	ALCAN ZUTPHEN'S ESTIMATES AND ORDERS.....5
4	TOLLING OBLIGATIONS OF NOVELIS GMBH.....6
5	TEMPORARY PLANT CLOSURE.....8
6	PRICE AND PAYMENT.....8
7	QUALITY, WARRANTIES & DISCLAIMERS .....9
8	INTELLECTUAL PROPERTY.....10
9	FORCE MAJEURE.....10
10	ASSIGNMENT.....11
11	EARLY TERMINATION/VOLUME TRANSFER .....11
12	CONFIDENTIALITY.....13
13	NON COMPETITION.....13
14	INDEMNIFICATION OF NOVELIS GMBH FOR LAY-OFF OR SOCIAL PLAN COSTS.....14
15	OPTIONS AND RIGHTS OF FIRST REFUSAL.....14
16	SEVERABILITY OF PROVISIONS.....15
17	COMPLETE AGREEMENT -- AMENDMENTS -- WAIVERS.....15
18	NOTICES.....15
19	APPLICABLE LAW AND JURISDICTION.....15

APPENDIX A = Specification

APPENDIX B = Specification of Pre-Material

APPENDIX C = IP-Rights

APPENDIX D = Tolling Price List

APPENDIX E = Quality test procedures

APPENDIX F = Specification of Packaging Material

2

THIS AGREEMENT is made the       day of December 2004 BETWEEN:

- (1)    ALCAN DEUTSCHLAND GMBH, Hannoversche Strasse 1, 37075 Gottingen, a company registered in Germany, to be renamed "Novelis Deutschland GmbH" after 31st December 2004, -- hereinafter referred to as "NOVELIS GMBH"

and

- (2)    ALCAN PACKAGING ZUTPHEN B.V., Finsestraat 1, 7202-CE Zutphen, a company registered in The Netherlands -- hereinafter referred to as "ALCAN ZUTPHEN"

together referred to as the "PARTIES"

WHEREAS:

A. Alcan Inc. and Novelis Inc. have agreed the terms of a Separation Agreement ('the Separation Agreement') under which Novelis Inc. will be separated from the Alcan group of companies, and the pet food business will be run solely by Alcan Zutphen, but Novelis GmbH will continue to produce pet food containers ("PFC") in Ohle for Alcan Zutphen for a limited amount of time. Therefore, the Parties have decided to conclude this Pet Food Tolling Agreement ("PTA") according to which Novelis GmbH will toll PFC for Alcan Zutphen as agreed herein.

B. Novelis GmbH shall toll Pre-Material from Alcan Packaging Rorschach AG, Industriestrasse 35, CH-9400 Rorschach or any other company chosen by Alcan Zutphen, by pressing it into PFC which will then be packed by Novelis GmbH.

C. Alcan Zutphen will either receive the PFC EXW Ohle or CIP warehouse in Hagen.

D. Novelis GmbH will throughout the term of the PTA maintain its support for the business of Alcan Zutphen through technical services as herein set forth.

E. The Parties wish to set out the terms which they have agreed for the tolling of PFC.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following terms shall have the following meanings unless the context requires otherwise:

"Contract Price"	means the price payable by Alcan Zutphen to Novelis GmbH for tolling of aluminium foil into PFC in Euros/1000 pieces as defined in Appendix D.
"cosi"	means a warehouse located at Hagen in Germany.
"Customers"	means customers of Alcan Zutphen that will purchase the pet food containers from Alcan Zutphen.
"Date of Delivery"	<div>3</div> means the date when the PFC tolled by Novelis GmbH is ready for dispatch and where such readiness has been notified Alcan Zutphen
"Effective Date"	means the Effective Date as defined in the Separation Agreement.
***	
***	
***	
"Month"	means each calendar month throughout the duration of this Agreement
"FMP"	means the fair market price to be determined by the Parties or by PwC in case the Parties can not agree on such price for the sale of Tools, Stackers and Presses.
"Ohle"	means the plant of Novelis GmbH in Ohle, Am Eisenwerk 30, 58840 Plettenberg-Ohle, where the PFC are pressed.
"PFC"	means pet food containers conforming to the Specifications as defined in Appendix A.
"PTA"	means this Pet Food Tolling Agreement.
"Pre-Material"	means aluminium foil with Specifications as set out in Appendix B.
"Presses"	Machines in which the Tools are used to produce the PFC and in which the Stackers are used to collect the PFC, and for which presses Alcan Zutphen has a right of first refusal during or at the end of the contract period or a period of 12 months thereafter. Alcan Zutphen has to respond within 30 days in case Novelis GmbH is offering Alcan Zutphen to buy the Presses.
"Reasonable and Prudent Operator"	shall mean a person or a company seeking to perform its contractual obligations and in so doing and in the general conduct of its undertaking including in the operation, maintenance and repair of any manufacturing or other facilities exercising that degree of skill, diligence, prudence and foresight and in the maintenance and repair of any manufacturing or other facilities using the type of equipment, materials and parts which would reasonably and ordinarily be expected from a skilled and experienced operator or company in substantial compliance with all applicable laws, engaged in the same type of undertaking in the same locality and

under the same or similar circumstances and conditions. This includes all quality and management systems according to the standards that were developed by the Alcan group of companies in recent years.

\*\*\*

\*\*\* 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

"Specifications" means those specifications for PFC set out in Appendix A and for Pre-Material as set out in Appendix B.

\*\*\*

"Tools/Stackers" means the Tools/Stackers for the production of the PFC, owned by Novelis GmbH, for which Alcan Zutphen has a purchase option at the end of the contract period or whenever the production at Ohle for which these Tools and Stackers are used is terminated for whatever reason.

"Volume Plan" means a plan under which the agreed monthly volume plan for tolling of PFC is determined.

"Week" means each week, commencing 00.00 European Standard Time or European Summer Time as the case may be on Monday.

"Year" means each period of 12 consecutive Months throughout the duration of this Agreement, commencing on the Effective Date.

1.2 The headings to the clauses are for convenience only, have no legal effect, and shall not affect the construction of this Agreement.

1.3 The supply contract as well as the service agreement between the Parties as of 14 November 2002 shall be terminated as of the Effective Date.

## 2. DURATION

This Agreement shall come into effect on the date of signing the PTA. The PTA shall commence on the Effective Date and shall continue \*\*\*. Either Party can terminate the Agreement in full or in part with a notice period of 5 (five) Months by \*\*\* the earliest or any date thereafter according to the provisions set forth in Clause 11.3.

The Parties agree to discuss a possible extension of this Agreement with new terms and conditions in the first quarter of \*\*\*.

## 3. ALCAN ZUTPHEN'S ESTIMATES OF REQUIREMENTS AND ORDERS

3.1 Alcan Zutphen shall place orders in writing (facsimile, mail, via IT -- system where appropriate) for tolling of PFC EXW Novelis GmbH's plant in Ohle or CIP cosi.

3.2 Alcan Zutphen shall place such tolling orders for PFC as reasonably evenly as possible throughout each Week subject to which Novelis GmbH undertakes to toll and deliver the same in accordance with such orders.

3.3 If Alcan Zutphen places orders for PFC other than in accordance with the above provisions, or if Alcan Zutphen requires delivery outside the normal delivery times, Novelis GmbH shall use its best endeavours to meet such orders.

\*\*\* 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

3.4 All deliveries of PFC pursuant to the PTA, shall be governed by the terms of the PTA. Deliveries shall be made EXW Ohle or CIP cosi. In case the storage contract between Novelis GmbH and cosi is not split between the Parties in 2005, Novelis GmbH will invoice Alcan Zutphen for the

allocated costs of \*\*\* for the year 2005 on a monthly basis. Alcan Zutphen will pay such invoice within 30 days. To ensure Alcan Zutphen's ability to enter into a new contract with cosi, Novelis GmbH is obliged to terminate the contract with cosi for the PFC's by the end of 2005.

- 3.5 Pick-ups of PFC shall be made during normal working hours.
- 3.6 Conditions and Process of PTC tolling and delivery between Novelis GmbH and Alcan Zutphen:
  - 3.6.1 PFC Specifications  
Specifications for PFC are laid down in Appendix A.  
Specifications for Pre-Material are set forth in Appendix B.
  - 3.6.2 Change of Specifications  
Changes of Specifications will be agreed between the Parties in writing.
  - 3.6.3 Budget  
Each year latest end of August, Alcan Zutphen will provide an annual Budget ("Budget") for the following year for Novelis GmbH. In addition to that Alcan Zutphen will provide a Volume Plan latest end of October. The Budget shall consist of volumes in types of PFC and related Specifications; the Volume Plan shall consist a monthly tolling plan.
  - 3.6.4 Rolling Forecast  
Each week Alcan Zutphen shall provide Novelis GmbH with a Rolling (Production) Forecast with an indication of the required production quantities per type / specification of PFC per week, over the upcoming 26 weeks.
  - 3.6.5 Weekly Planning  
Each week (by Friday morning), Alcan Zutphen shall provide Novelis GmbH with a firm production schedule for the upcoming week.
  - 3.6.6 Order Process  
To be agreed upon in writing between the Parties.

#### 4. TOLLING OBLIGATIONS OF NOVELIS GMBH

- 4.1 During the term of the PTA Novelis GmbH shall be obliged to toll and Alcan Zutphen shall be obliged to off-take an aggregate of not less than the relevant quantity of PFC as agreed in the Budget, the Volume Plan and the Rolling Forecast. The Parties will agree on a monthly tolling and delivery schedule to match the Volume Plan and the Rolling Forecast. The Parties accept tolerances of 10 % for tolling orders and subsequent deliveries per Month. Alcan Zutphen's additional possibility to reduce volumes is set forth in Clause 11.3. Price calculations are made according to the formulas as set out in Appendix D.
- 4.2 Should Novelis GmbH breach its obligations under Clause 4.1 and 4.2, (including any failure to toll and deliver by the agreed time), Alcan Zutphen shall be entitled to a full compensation for all direct damages (incl. any recall costs) up to an amount of \*\*\*. For any indirect damages Novelis GmbH shall be liable up to an amount of EUR

\*\*\* 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

\*\*\* incurred by Alcan Zutphen, including (but not limited to) loss of profit and loss of business.

- 4.3 For the year 2005 the Parties agree to an amount of PFC's to be tolled by Novelis GmbH of \*\*\*. From year \*\*\* on the amount to be tolled varies upon the Budget, the Volume Plan and the Rolling Forecast. Changes to such budgets, plan or forecast must meet the requirements set forth in Clause 4.1 and / or 11.3.

With the exception of the forecast for the year 2005 the figures below show the Parties' assumption of the PFCs to be tolled by Novelis GmbH each year. The actual quantities may be higher or lower than indicated thereafter and Alcan Zutphen is under no obligation to have such indicated quantities tolled by Novelis GmbH:

\*\*\*

- 4.4 Alcan Zutphen will purchase Pre-Material necessary for the production of PFC from a company qualified by Alcan Zutphen according to Appendix B. Novelis GmbH shall confirm the qualification of the Pre-Material from

such company. The purchase of Pre-Material is under the sole responsibility of Alcan Zutphen. The storage capacity of Novelis GmbH is limited for Pre-Material up to 200 tons and for PFC up to 1000 pallets. Storage of quantities exceeding storage requirements must be agreed between the Parties. Novelis GmbH shall check incoming Pre-Material in regard to open defects only. If hidden defects are detected during tolling of PFC's, Novelis GmbH will not use such defected Pre-Material and shall get in touch with Alcan Zutphen as quickly as possible in order to discuss and determine the appropriate measures. If necessary Alcan Zutphen shall replace such defected Pre-Material at its own costs. Novelis GmbH will pay tolling costs for those PFC tolled with hidden defects in Pre-Material; provided however that the agreed quality test during the production according to Appendix E have been made by Novelis GmbH.

In case of late delivery of Pre-Material, Alcan Zutphen will reimburse to Novelis GmbH all additional costs which result from late deliveries or which will be incurred by Novelis GmbH to offset late deliveries by additional shifts or other comparable measures to level out late deliveries. The limitation of liability according to Clause 4.2 shall -- mutatis mutandis -- also apply for Alcan Zutphen.

- 4.5 Scrap rates are not included in the tolling price. However, Alcan Zutphen as the owner of the Pre-Material (and therefore also the scrap) is entitled to sell the scrap. Novelis GmbH shall inform Alcan Zutphen on a monthly basis about the actual scrap rates and actual scrap volumes. Alcan Zutphen will pick up scrap on a monthly basis. Scrap rates per type as defined and agreed by the Parties are set out in Appendix D. Should the actual scrap rate per type be higher than budgeted, Novelis GmbH will pay the additional Pre-Material that is required to produce the missing containers. A detailed calculation will be done by Novelis GmbH and communicated to Alcan Zutphen each Month to balance the calculated and the actual scrap output.
- 4.6 Alcan Zutphen is charged monthly for packaging material based on shipped volumes according to the budgeted price as set out in Appendix D. By the end of each quarter the consumed packaging material will be balanced with the already invoiced packaging material

\*\*\* 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.

7

cost. The residual value of the packaging material will be debited or credited. The Parties agree that if Alcan Zutphen is able to purchase the packaging material with the same specification at a lower price this entire Clause 4.7 will be renegotiated. Specifications for packaging material is set forth in Appendix F.

- 4.7 Upon specification of Alcan Zutphen, Novelis GmbH will source and process the appropriate materials for identification (e.g. labels), packaging (e.g. operating supplies) and pallets of PFC's. Such costs are included in the tolling costs.
- 4.8 Pre-Material delivered to Novelis GmbH shall remain in the ownership of Alcan Zutphen or the relevant Alcan Group Company.

Should Pre-Material be damaged by Novelis GmbH such Pre-Material shall be reimbursed to Alcan Zutphen by credit note reflecting the purchase price of the Pre-Material. Pre-Material has to be stored according to Alcan Zutphen's instructions as previously given to Novelis GmbH.

- 4.9 Novelis GmbH will take insurance coverage for obligations agreed upon with Alcan Zutphen under Clause 4.3 and Clause 7 within its general insurance policy. Novelis GmbH shall provide Alcan Zutphen upon first request with an insurance certificate proofing adequate coverage for property damage, third party liability and product liability. Alcan Zutphen shall provide Novelis GmbH upon first request with an insurance certificate proofing adequate coverage for property damage in connection with the supply of Pre-Material.
- 4.10 Pre-Material shipped to Novelis GmbH will remain Alcan Zutphen's property during the entire tolling process. Alcan Zutphen shall be entitled to take any necessary measures to ensure the (extended) retention of title under any applicable law. Novelis GmbH hereby undertakes not to interfere with any of such measures.

## 5. TEMPORARY PLANT CLOSURE

- 5.1 Where Novelis GmbH plans a temporary maintenance closure of, or a period of reduced production at Novelis GmbH's PFC plant in Ohle which may

affect Novelis GmbH's ability to supply PFC to Alcan Zutphen in accordance with Novelis GmbH's obligations, it shall notify Alcan Zutphen as soon as possible but not later than 4 (four) Months in advance. Both Parties will agree an action plan to avoid any bottlenecks in the tolling and delivery of PFC to Alcan Zutphen.

- 5.2 During any period of temporary maintenance closure or reduced production as envisaged in Clause 5.1, Novelis GmbH shall give preference to deliveries of PFC to Alcan Zutphen as far as legally possible.

## 6. PRICE AND PAYMENT

- 6.1 The price for PFC tolling under the PTA shall be fixed according to a yearly price list as attached under Appendix D. Prices are based on volume, and specification mix, as budgeted for 2005. As agreed, the defined costs 1 (Appendix D) are fixed by 1000 pcs and for each Year the budgeted mix will be recalculated in total costs 1 as part of the tolling costs. If the Parties to the PTA are unable to agree on the amount of such increase or reduction within 30

8

days after the submission by Novelis GmbH of a formal proposal to Alcan Zutphen, the matter shall be referred for determination to PricewaterhouseCoopers (PWC), in Frankfurt, Germany who shall act as experts and not as arbitrators, and whose decision shall be accepted by the Parties as final and binding. Alcan Zutphen shall pay the tolling fee according to the yearly quantities as agreed upon in Clause 4.3 or adjusted according to Clause 4.1. In case the quantity deviation exceeds the quantity set forth in Clause 4.4, the Parties will re-negotiate the price as set out above.

- 6.2 If PFCs are ready for dispatch at Novelis GmbH's plant in Ohle, Novelis GmbH shall submit to Alcan Zutphen tolling invoices. An invoice submitted by telex or facsimile shall be regarded as a valid invoice for the purpose of PTA.
- 6.3 All invoices submitted pursuant to Clause 6.2 shall be paid in Euros within 60 (sixty) days end of the Month, after the day of invoicing. Payment shall be made to Novelis GmbH's bank account details of which shall be given by Novelis GmbH to Alcan Zutphen.
- 6.4 In addition to the price calculated pursuant to Clause 6.1, Alcan Zutphen shall pay Value Added Tax in respect thereof, if applicable.
- 6.5 Before the Effective Date all Pre-Material and finished PFC will be taken over by Alcan Zutphen, including any obsolete stocks. Novelis GmbH will transfer any book reserves for obsolete stocks to Alcan Zutphen before 31 December 2004.

## 7. QUALITY, WARRANTIES & DISCLAIMERS

- 7.1 Novelis GmbH warrants for a period of \*\*\* months from the date of filling of a PFC that all PFC supplied hereunder shall conform to the Specifications detailed in Appendix A, and Alcan Zutphen warrants that Pre-Material supplied by Alcan Packaging Rorschach AG (or any other qualified company) shall conform to Pre-Material Specifications supplied to Novelis GmbH and detailed in Appendix B. Any damage or non-conformity with the Specifications of the PFCs may be reported to Novelis GmbH during the warranty period. Alcan Zutphen has no obligation to inspect delivered PFCs upon delivery. Alcan Zutphen shall give Novelis GmbH prompt notification in case any damages or any non-conformity of the PFCs are detected during the warranty period.
- 7.2 Changes of Specifications and Tools/Stackers must be agreed by both Parties. The request for a change of the Specifications or Tool/Stackers shall be submitted to Novelis GmbH in writing three Months in advance. Novelis GmbH will use all reasonable endeavours to accommodate such change provided that it is technically possible. In this event, the price shall be adjusted to reflect the resulting increase or decrease in the costs to Novelis GmbH of tolling PFC to such amended or changed Specifications or the change of Tools / Stackers shall be paid by Alcan Zutphen directly. If the Parties to the PTA are unable to agree on the amount of such increase or reduction within 30 days after the submission by Novelis GmbH of a formal proposal to Alcan Zutphen, the matter shall be referred to PwC in Frankfurt, Germany, who shall act as experts and not as arbitrators, and whose decision shall be accepted by the Parties as final and binding.
- 7.3 Novelis GmbH is responsible for the quality control of the produced PFCs in Ohle. Alcan Zutphen will not inspect delivered PFCs as they are shipped directly to the Customers. Novelis GmbH shall upon Alcan Zutphen's first request furnish all relevant documents to enable the Customer or Alcan Zutphen to trace back defective PFC's.

\*\*\* 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

7.4 Where Novelis GmbH has tolled PFCs for Customers of Alcan Zutphen which do not conform to the Specifications, and under the provision that Alcan Zutphen has given notice in accordance with Clause 7.1, Novelis GmbH will refund the price of the defective PFC to Alcan Zutphen. Additionally, Novelis GmbH will be liable for all damages according to Clause 4.3.

#### 8. INTELLECTUAL PROPERTY

8.1 Novelis GmbH hereby grants Alcan Zutphen a world-wide, irrevocable, exclusive license, with the right to grant sublicenses, for all designs as listed in Appendix C (hereinafter "IP-Rights"), for as long as these IP-Rights are protected by any applicable law. Such license shall be granted to Alcan Zutphen free of charge.

8.2 Novelis GmbH hereby undertakes not to license such IP-rights to any other person nor to any Affiliated Company or third party, nor to use such IP-rights for itself, in each case, for the duration of the PTA.

8.3 In case of any discrepancies or uncertainties regarding the IP-Rights granted to Alcan Zutphen, the Separation Agreement, including any exhibits, attachments or schedules thereof, shall prevail.

8.4 Novelis GmbH hereby undertakes to transfer the brand "PICOPAC" (International Brand No. 814 331) to Alcan Zutphen as soon as possible. Such transfer has already been initiated but was not yet completed.

#### 9. FORCE MAJEURE

9.1 "Force Majeure" for the purposes of this Clause shall mean any circumstances beyond the reasonable control of the Party affected which (in the case of Novelis GmbH) prevent Novelis GmbH from tolling PFC at Novelis GmbH's plant in Ohle or delivering it to any warehouse of Alcan Zutphen, and which prevent Customers of Alcan Zutphen from receiving PFC at their plants. Force Majeure shall include breakdown of either Novelis GmbH's plant or production unit in Ohle or Alcan Zutphen's Customer plants, but only if and to the extent that such breakdown has not occurred as a result of Novelis GmbH, or Customers of Alcan Zutphen, as the case may be, having failed to act at all relevant times a Reasonable and Prudent Operator. Force Majeure shall not include any temporary closure or reduced production as provided for in Clause 5, nor anything which is the result of a Party having failed to act as a Reasonable and Prudent Operator, nor any breakdowns or other failures of transportation (whether carried out by the Parties directly or under contract), nor any reduction in production due to economic circumstances, nor any other market or economic circumstances which may make the terms of this agreement unattractive to one of the Parties. A strike caused by Novelis GmbH or any Affiliated Company shall not be considered as a Force Majeure event.

9.2 If either Party is rendered unable to carry out any of its obligations under the PTA by reason of Force Majeure, that Party shall not be liable for any failure to perform the obligation(s) for so long as performance is thus affected. Provided that this Clause 9 shall not apply if the specific, actual event of Force Majeure could reasonably have been foreseen by the affected Party at the Effective Date as being reasonably likely to occur.

10

9.3 As soon as a Party is aware of a threat of circumstances likely to lead to its declaring Force Majeure (even though such circumstances may not have occurred, or where it is not certain that they will result in Force Majeure being declared), that Party shall notify the other and consider with it what steps, if any, may be taken to overcome such circumstances.

9.4 A Party wishing to invoke Force Majeure shall promptly notify the other in writing giving details thereof, of the anticipated affect on this Agreement and of the estimated duration of Force Majeure. Such Party shall update such information at least once a week throughout the duration of the Force Majeure, and shall provide as much notice as possible of the reduction of normal supplies and/or deliveries.

9.5 The Party affected by an event of Force Majeure shall take all reasonable steps to procure that such event ceases to exist and to minimise the effects thereof on the performance of its obligations hereunder; provided that nothing in this Clause 9 shall require that Party to settle any labour dispute on terms which in its sole opinion are not satisfactory to it.

9.6 To the extent that Novelis GmbH is prevented by an event of Force Majeure from tolling PFC or to the extent to which Alcan Zutphen Customers are prevented from taking delivery of PFC, the Parties' respective tolling and delivering obligations shall be reduced on a pro rata time basis, and there shall be a corresponding reduction in the tolling and off-take obligations set out in Clause 4 (it being assumed that the quantities which would otherwise have been supplied equalled the Monthly Purchase Amount for the Month in question). Alcan Zutphen shall have the right to take over Tools / Stackers in case Novelis GmbH declares a Force Majeure event in order to produce the amount of PFC affected in the plant in Zutphen. Moving costs will be borne by Alcan Zutphen.

9.7 No occurrence of Force Majeure shall operate to extend the duration of this PTA.

9.8 In no circumstances shall problems with making payments constitute Force Majeure.

#### 10. ASSIGNMENT

10.1 The PTA is personal to the Parties and, subject to Clauses 10.2 and 10.3 neither Party shall be entitled to assign its rights or obligations hereunder in whole or in part without the prior written consent of the other Party.

10.2 Notwithstanding Clause 10.1, either Party shall be entitled to assign its rights and obligations in whole or in part without consent to Alcan Inc. or Novelis Inc. or an Affiliate Company. For the purposes of the PTA "Affiliate Company" shall mean the holding or subsidiary company of Alcan Inc. or Novelis Inc. or a subsidiary company of a party's holding company in which either Alcan Inc. or Novelis Inc. holds more than 50 % of the respective shares. Such assignment to an Affiliated Company shall not be permitted in case the production of Novelis GmbH's location in Ohle would be transferred to a different location.

#### 11. EARLY TERMINATION/VOLUME TRANSFER

11.1 Subject to Clause 11.2 if either Party shall commit a material breach of any of the terms and conditions of the PTA then the other Party shall by notice in writing be entitled to require that the other Party remedies any such breach within 30 working days from the date of such notice and should that Party fail to remedy such breach within the period aforesaid the other

##### 11

Party shall be entitled to forthwith terminate the PTA. Such termination will be without prejudice to the additional right of the terminating Party to claim for damages in respect of the said material breach, and also to any claims and/or rights or remedies which either Party may have against the other insofar as such claims, rights or remedies accrued prior to such termination.

11.2 If either Party shall enter into compulsory or voluntary liquidation (not being a voluntary liquidation for the purpose of reconstruction or amalgamation), or have a receiver or administrator appointed to any part of its assets, or becomes unable to pay its debts as they fall due, then the other Party may terminate the PTA forthwith by written notice to such effect.

11.3 In the event that the volume of PFCs to be tolled by Novelis GmbH drops below \*\*\*/year solely due to market reasons, Alcan Zutphen is entitled to terminate this PTA in whole or in part by 1 January \*\*\* or any date thereafter by meeting a five Months notice period. Should the volumes of PFCs tolled by Novelis GmbH at any date exceed the volumes of PFCs tolled by Alcan Zutphen, then Alcan Zutphen is entitled to transfer such difference of volumes to Alcan Zutphen (re-balancing). In addition to that Alcan Zutphen is entitled to terminate the PTA at any time in case the total volumes of PFCs tolled by Alcan Zutphen and Novelis GmbH together drop below \*\*\*.

\*\*\*

In case of an early termination or volume transfer according to this Clause 11.3, Alcan Zutphen is obliged to pay any social plan costs only over the natural wastage and any volume reduction in the natural Ohle business according to Clause 14 herein.

11.4 If the ownership of either Party is transferred to any third party other than an Affiliated Company ("Change of Control"), the other Party may terminate the PTA by written notice with immediate effect. Ownership for the purpose of this Clause means that the majority of the voting rights or more than 50 % of the Party's assets are transferred directly or indirectly to a third party, other than an Affiliated Company.

In case Novelis GmbH's plant in Ohle or the majority of the assets of the



plant in Ohle is sold to any third party that directly or indirectly competes with any Alcan business, Alcan Zutphen shall also have the right to terminate this PTA with immediate effect. In case of an IPO or MBO of Novelis GmbH's plant in Ohle, Alcan Zutphen shall have no right to terminate the PTA.

\*\*\* 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

12. CONFIDENTIALITY

- 12.1 The terms of the Confidentiality provisions set forth in Section 11.07 and in Section 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. This Section 12 of the Agreement sets out additional requirements regarding confidential information.
- 12.2 The term "Confidential Information" shall mean all data, documents and information, whether or not explicitly designated as being confidential, disclosed or to be disclosed by one Party to the other concerning the business operations, assets or affairs of the disclosing Party (including information transmitted in written, electronic, magnetic or other form, information transmitted orally and information gathered by a Party through visual inspections or observation or by any other means), and any and all information which may be developed or created, in whole or in part, directly or indirectly, from such information including all notes, summaries, analyses, compilations and other writings, but does not include information that: (a) at the time of delivery to the receiving Party has been or subsequently becomes generally available to the public other than as a result of disclosure by the receiving Party; (b) is or subsequently becomes available to the receiving Party on a non-confidential basis from a source who is not bound by this Agreement and is not otherwise under a legal obligation not to disclose such information; or (c) is required to be disclosed by applicable law or any governmental authority.
- 12.3 The term "Permitted Purpose" means the performance of obligations under this Agreement.
- 12.4 The Confidential Information to be shared shall be limited to that which would be shared with a Third Party service provider and shall not be used by either Party for any purpose other than a Permitted Purpose or in any way that is detrimental to the disclosing Party. In particular,
- 12.4.1 The receiving Party shall not disclose any Confidential Information to any of its employees who does not have a need to know such Confidential Information in order to perform the Permitted Purpose;
- 12.4.2 The receiving Party shall not use the Confidential Information other than for such purposes as shall be expressly permitted under this Agreement;
- 12.5 The obligations of confidentiality set out in this Section 12 shall continue in full force and effect for the duration of this Agreement and for a period of five (5) years following its termination

13. NON COMPETITION

- 13.1 During a period of five years after the Effective Date of this PTA, Novelis GmbH and each of its Affiliated Companies shall not, without the prior written consent of Alcan Zutphen, directly or indirectly, for itself or for others, in any way work in or for, or have an interest in, any company or person or organisation within the European market (that includes all European countries, including Russia and the former Russian satellite states) which conduct activities competing with, the activities of the business of Alcan Zutphen related to the PFC business.
- 13.2 In case Novelis GmbH has failed to act in accordance with Clause 13.1, it shall, after being given written notice, pay to Alcan Zutphen a penalty of \*\*\*,

\*\*\* 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.

increased by a penalty of \*\*\* per day if Novelis fails to act in

accordance with Clause 13.1 and continues the breach, without prejudice to any other claims and rights of Alcan Zutphen.

- 13.3 Should a Change of Control according to Section 11.4 occur and the Agreement be terminated by Alcan Zutphen, the latter shall have the option to acquire the relevant assets of the PFC production of Novelis GmbH for the FMP of any assets used in connection with the production of the PFCs.

14. INDEMNIFICATION OF NOVELIS GMBH FOR LAY-OFF OR SOCIAL PLAN COSTS

- 14.1 Upon termination of this Agreement or in case of volume transfer according to Clause 11.3, Alcan Zutphen will indemnify Novelis GmbH for the costs for lay offs or a social plan for the termination of the employment agreements of the employees of Novelis GmbH that worked in the PFC business. Alcan Zutphen will be an equal party in the negotiations of the social plan, if the works council of the Ohle plant agrees. In case the works council does not agree on a participation of Alcan Zutphen to the social plan negotiations, Alcan Zutphen will not be obliged to indemnify Novelis GmbH for any social plan costs that exceed what was paid at an average in the last five years by Alcan Deutschland GmbH for lay offs of similar employees. The employees working in the PFC business will be listed in a document to be exchanged between the Parties.
- 14.2 Novelis GmbH undertakes to use natural fluctuations, re-allocation within Ohle or Affiliated Companies or termination of employees at Ohle plant to the extent that three (3) employees per Calendar Year, starting 1st January 2005 will be laid off or transferred within the Ohle plant. Such lay off costs will be borne by Novelis GmbH. In case the number of employees is not reduced by three employees per year, Alcan Zutphen will not be obliged to pay for any lay off or social plan costs connected with said employees, notwithstanding the agreed volume of PFCs.
- 14.3 Novelis GmbH undertakes to transfer as many employees as possible to other production facilities at its plant in Ohle or other production site, as legally possible. In case an employee that received a compensation according to a social plan is re-employed at Novelis GmbH or any of its Affiliated Companies within a period of two years after such compensation has been paid out, Novelis GmbH will reimburse Alcan Zutphen for the amount concerned paid by Alcan Zutphen according to Clause 14.1.
- 14.4 In the event of lay off costs until end \*\*\* Alcan Zutphen contributes Euro \*\*\* or \*\*\*% of occurring costs (whatever sum is the lower) to the costs incurred by Novelis GmbH. The non reimbursed costs for lay-offs shall be borne by Novelis GmbH. Any lay-off or social plan costs after \*\*\* will be at costs of Alcan Zutphen as regulated in Clause 14.1. In case the transfer business according to Clause 11.3 is caused by Novelis GmbH's decision (selling the business, underperformance or similar causes), Novelis GmbH is responsible for the social plan costs.

15. OPTIONS AND RIGHTS OF FIRST REFUSAL

- 15.1 In the event that Alcan Zutphen terminates the PTA in whole or in part in accordance with Clause 11.3 or in the event that Novelis GmbH does not need the Tools/Stackers anymore 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.

14

toll the volumes agreed between the Parties, Alcan Zutphen shall have the option to purchase such Tools/Stackers not needed by Novelis GmbH for fulfilling its tolling obligations for the FMP of said Tools/Stackers (call option). Such Tools/Stackers must be shipped to Alcan Zutphen within two weeks notwithstanding if the Parties agreed on the FMP or not. This two-week period starts upon termination of the PTA or upon written notice by Alcan that such option is exercised.

- 15.2 Alcan Zutphen shall have the right of first refusal for the Presses during the term of this PTA and for a period of 12 (twelve) Months after the termination of the PTA, notwithstanding the cause of such termination. Alcan Zutphen is obliged to respond within one month to any offers by Novelis GmbH.
- 15.3 Further options as granted within this PTA shall not be affected by this Clause 15.
16. SEVERABILITY OF PROVISIONS

If any provisions hereof should be held invalid or unenforceable the validity and enforceability of the remaining provisions shall not be affected. Any invalid or unenforceable provision shall to the extent possible be replaced with such provision that will allow the Parties

hereto to achieve the intended economic result in a legally valid and effective manner.

17. COMPLETE AGREEMENT -- AMENDMENTS -- WAIVERS

- 17.1 This PTA including the Appendixes constitutes the entire understanding and agreement between the parties with respect to the issues covered herein and there are no representations, understandings or agreement, oral or written, which are not included herein.
- 17.2 This PTA cannot be modified in any respect except by an instrument in writing executed by the duly authorised representatives of both Parties which instrument shall specifically state it is an amendment of the PTA and refer to this article. Such instrument shall then become a part of the PTA. No amendments or changes to the PTA shall be made in tolling orders, invoices or other form.
- 17.3 Any waiver, relaxation or concession that may be granted by either Party to the other in regard to any of the terms and conditions of the PTA shall be limited strictly to such waiver, relaxation or concession and shall not imply in future such waiver, relaxation or concession.

18. NOTICES

Any formal notice to be given under the PTA shall be in writing and shall be deemed to have been sufficiently given if delivered in person (against receipt), or by fax or telex (either against acknowledgement of receipt) or by registered mail, addressed to such person at the recipient, at such address as the recipient may notify to the other parties from time to time (and pending the first such notification to the relevant head office of the recipient).

19. APPLICABLE LAW AND JURISDICTION

15

This Agreement shall be governed by and construed in accordance with the law of the Federal Republic of Germany and any conflict of laws provisions. The Commercial Court (Kammer für Handelssachen des Landgerichtes) in Hagen shall have exclusive jurisdiction for all disputes which arise from the PTA.

Alcan Packaging Zutphen  
Finsestraat 1  
7202-CE Zutphen, The Netherlands

Alcan Deutschland GmbH  
Hannoversche Straße 1  
37075 Göttingen, Germany

- -----  
Bert Meijer

- -----  
Nikolaus von Verschuer

- -----  
Manfred Witzstrock

16

[LOGO]

December 21, 2004

Mr. Christopher Bark-Jones  
Alcan Holdings Switzerland AG  
Feldeggstrasse 4  
Postfach  
Zurich Switzerland  
CHO 8034

Dear Chris,

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. Specifically, we will examine the complexities of your situation in Switzerland in the context of Novelis' future compensation strategy. 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, those aspects that are unique to you, and those things that involve a change.

#### POSITION TITLE

I am pleased to confirm the offer of President, Novelis Europe.

#### 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.

Page 2 of 3

#### BASE SALARY

Your base salary will be US\$440,611.00 and your position administered at a personal job grade 51. You will be provided with exchange rate guarantee on your base salary. Your base salary will be converted at the rate of 1.50 Swiss Francs per US dollar and paid to you in Swiss Francs. This 1.50 conversion rate will continue to apply until the 31st of December, 2005, before which time a full review of this compensation method will be conducted by Novelis.

#### 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.

#### CHANGE IN CONTROL AGREEMENT

A Change of Control document has been prepared for you in a manner consistent with other senior management moving to Novelis. It is our expectation that the Board of Novelis will issue new agreements in the first half of 2005.

#### BENEFIT PLANS

Your participation in the Alcan health and welfare benefit plans will continue up to the point of spin. Novelis will adopt plans with provisions for the most part equivalent to those currently in effect within Alcan. In addition, Novelis will continue to provide you and your spouse lifetime health care coverage after retirement under the Medical Plan for Retired Employees.

#### MISCELLANEOUS PLANS

Participation in other plans (e.g. Flexperks, Auto, Annual Executive Physical Exams) will continue as they exist today. You will be provided with the services of professional consultants for the preparation of your personal income tax reporting in the UK and Switzerland. Novelis will pay the fees for this service.

Page 3 of 3

#### PENSION

For the one-year transition period following the spin-off, you will continue to participate in the British Alcan RILA Plan and the Pension Plan for Officers under the same terms and conditions as exist prior to the spin-off. Per G. Ouellet's July 2004 letter to you, your 2004 pensionable earnings in the BARILA Plan were adjusted to Pound Sterling 255,000. Novelis agrees to increase this amount by 4% for the year 2005. Any changes in future benefit accruals after the transition period will be communicated with ample notice.

#### REPATRIATION

Upon completion or termination of this assignment, should there be no suitable position available at that time within Novelis, you and your family will be repatriated by the Company to the United Kingdom.

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/ Martha Brooks

Martha Brooks  
Chief Operating Officer

Accepted by: /s/ Christopher Bark-Jones

date: December 23, 2004