

## TERMS AND CONDITIONS FOR FIXED FORWARD PRICING AND COLLATERAL SECURITY

### 1. Definitions.

"**Business Day**" means any day excluding Saturday, Sunday and any other day which, commercial banks in the City of London (United Kingdom), New York, New York or Montreal (Canada) are required or authorized by law to close.

"**Buyer**" shall be the party defined as the Buyer under the Supply Contract.

"**Collateral**" means the Initial Collateral Amount, and any additional cash posted or paid by the Buyer and being held by the Secured Party.

"**Contract Value**" shall have the meaning set forth in Section 6.4(i).

"**Defaulting Party**" shall have the meaning set forth in Section 6.1.

"**Fixed Forward Pricing Commitment**" means any request from the Buyer which has been accepted by the Secured Party to fix the volume, price and delivery timing of certain aluminum products to be sold to Buyer under a Supply Contract.

"**Fixed Forward Pricing Loss**" shall have the meaning set forth in Section 6.4(iv).

"**Fixed Forward Pricing Loss Notice**" shall have the meaning set forth in Section 6.4(iv).

"**Fixed Price**" shall have the meaning set forth in Section 6.4(i).

"**Fixed Volume**" shall have the meaning set forth in Section 6.4(i).

"**Initial Collateral Amount**" means with respect to Buyer, such initial cash amount in United States Dollars set out in the Supply Contract. Notwithstanding the foregoing, if the Secured Party has a reasonable good faith belief that the ability of the Buyer to perform its obligations under a Supply Contract or these terms and conditions has been impaired, then the Secured Party may revise the Initial Collateral Amount at its discretion, and require additional Collateral upon written notice to Buyer.

"**LME Price**" shall have the meaning set forth in Section 6.4(ii).

"**Market Value**" shall have the meaning set forth in Section 6.4(ii).

"**Secured Party**" shall be the party defined as the Seller under the Supply Contract.

"**Supply Contract**" means one or more sales contracts entered into between the Buyer and the Secured Party for the supply of certain aluminum products by Secured Party to the Buyer, including any amendments, supplements or ancillary documents thereto.

Any terms not defined in these terms and conditions shall have the definitions as set out in the Supply Contract.

2. Initial Collateral Amount. Upon the entry into the Supply Contract or, no later than two (2) Business Days following acceptance by the Secured Party of a Fixed Forward Pricing Commitment by written notice given to the Buyer, the Buyer shall pay to the Secured Party the Initial Collateral Amount for the purpose of securing and providing security for the obligations of the Buyer to the Secured Party under the Supply Contracts.
3. Encumbrance; Grant of Security Interest. As security for the prompt and complete payment of all amounts due or that may become due from the Buyer to the Secured Party in accordance with the terms and conditions of the Supply Contract and the performance by the Buyer of all covenants and obligations to be performed by it thereunder and hereunder, the Buyer hereby pledges, assigns, conveys and transfers to the Secured Party, and hereby grants to the Secured Party a first priority continuing security interest in and to and a general first lien upon and right of set-off against, all of the right, title and interest of the Buyer in and to all Collateral which has been or may in the future be delivered or otherwise transferred to, or received by, the Secured Party.
4. Collateral Provisions.
  - 4.1 The Secured Party shall have free and unrestricted use of all Collateral provided to it hereunder. Beyond the exercise of reasonable care in the custody thereof, the Secured Party shall have no duty as to any Collateral in its possession or control or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Secured Party shall at all times retain possession or control of any Collateral delivered to it.
  - 4.2 In the event that Buyer is in breach of its obligations under either the Supply Contract or these terms and conditions and where applicable, such breach is not cured within any cure period expressly provided in such Supply Contract or elsewhere herein, then the Secured Party may, in its sole discretion, exercise any one or more of the following rights and remedies, without limitation upon any other rights or remedies which may be available to the Secured Party:
    - i. all rights and remedies available to a secured party under the uniform commercial code and/or laws of the jurisdiction in which the Collateral is being held;
    - ii. the right to liquidate any outstanding Fixed Forward Pricing Commitment position at prevailing market prices and request payment from the Buyer for the Fixed Forward Pricing Loss pursuant to Section 6.4;
    - iii. the right to set-off any Collateral held by the Secured Party against and in satisfaction of any amount payable by the Buyer under a Supply Contract or these terms and conditions; and
    - iv. the right to liquidate any Collateral held by the Secured Party with such notice, if any, as may be required by applicable law, free from any claim or right of any nature whatsoever of the Buyer and to apply the proceeds from the liquidation of such Collateral to and in satisfaction of any amounts payable by the Buyer under a Supply Contract or these terms and conditions in the order as the Secured Party may elect. The Buyer shall in all events remain liable to the Secured Party for any amount payable by the Buyer in respect of any of its obligations remaining unpaid after any such liquidation, application and set-off. The exercise by the Secured Party of any of the rights hereunder shall not

release the Buyer from any of its duties or obligations under a Supply Contract or these terms and conditions.

5. Credit Covenants and Representations.

- 5.1 The Buyer will defend the Collateral against the claims and demands of all other parties, will keep the Collateral free from all security interests or other encumbrances (except the security interest hereunder) and, subject to Sections 4.2 and 6, will not sell, transfer, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Secured Party. Further, the Buyer will give notice to the Secured Party of any suit, action or proceeding which could adversely affect the security interests granted hereunder.
- 5.2 The Buyer will execute and deliver to the Secured Party such financing statements, assignments and other documents and do such other things relating to the Collateral and the security interest granted pursuant to these terms and conditions as the Secured Party may deem necessary or appropriate to perfect or maintain perfection of its security interest in the Collateral.
- 5.3 On each day on which Collateral is held by the Secured Party, the Buyer hereby represents and warrants that:
- i the Buyer has good title to and is the sole owner of such Collateral;
  - ii the Secured Party has a valid and perfected first priority continuing security interest in the Collateral, free of any liens, claims or encumbrances, except those arising by operation of law that are given priority over a perfected security interest; and
  - iii the Buyer is not and will not become a party to or otherwise be bound by any agreement other than the Supply Contracts and these terms and conditions, which restricts in any manner the rights of any present or future holder of any of the Collateral.

6. Default.

- 6.1 For purposes under these terms and conditions, the Buyer shall be in default if:
- i any representation or warranty made by the Buyer hereunder shall prove to have been false or misleading in any material respect when made, if such failure is not remedied within three (3) Business Days after written notice of such failure is given to the Buyer (where such failure is capable of cure);
  - ii the Buyer fails to perform any covenant or obligation set forth in the Supply Contract or hereunder and such failure is not remedied within three (3) Business Days after written notice of such failure is given to the Buyer: or
  - iii the Buyer shall become bankrupt or insolvent (however evidenced) or otherwise be unable to pay its debts as they fall due.
- 6.2 Default under Supply Contract. For the avoidance of doubt, a default by the Buyer of these terms and conditions shall be deemed a default by the Buyer under the Supply Contract.

- 6.3 Remedies. If a default occurs with respect to the Buyer at any time during the Supply Contract, the Secured Party may, at its entire discretion (a) terminate any Fixed Forward Pricing Commitment effective upon written notice to the Defaulting Party, (b) suspend its performance of any obligations (including Fixed Forward Pricing Commitment) under these terms and conditions, (bc) exercise any right provided under these terms and conditions or in the Supply Contract, including its rights under Section 6.4 below, and (d) exercise one or more other remedies as may be available under the Supply Contract, at law or in equity.
- 6.4 Liquidation and Fixed Forward Pricing Loss. In the event of a default by the Buyer, the Secured Party shall calculate the Fixed Forward Pricing Loss (as defined below), and the Buyer agrees to compensate the Secured Party for such Fixed Forward Pricing Loss, the whole as described below:
- i The Secured Party shall multiply the volume of aluminum set forth in each Fixed Forward Pricing Commitment which remains undelivered (each a "**Fixed Volume**") by that portion of the price set forth in such Fixed Forward Pricing Commitment which is attributable to the LME Aluminum component (each a "**Fixed Price**"), and shall sum the respective products yielded by such calculations to arrive at the "**Contract Value**".
  - ii The Secured Party shall multiply each Fixed Volume by the London Metal Exchange Prevailing Primary Aluminum Market Price at the time of liquidation which corresponds to the scheduled delivery month of such Fixed Volume, (the "**LME Price**"), and shall sum the respective products yielded by such calculations to arrive at the "**Market Value**".
  - iii The Secured Party shall subtract the Market Value from the Contract Value to arrive at the Loss Amount. Should such calculation yield value less than or equal to zero, the Loss Amount shall be deemed to be zero for such Fixed Volumes.
  - iv If the Loss Amount for any Fixed Volumes exceeds any Collateral, the Buyer shall, upon reception of a notice by the Secured Party to that effect (the "**Fixed Forward Pricing Loss Notice**"), be required to transfer an amount equal to the positive difference between (i) the Loss Amount, and (ii) the Collateral (the "**Fixed Forward Pricing Loss**"). Such amount shall be transferred to the Secured Party by the close of business on the second Business Day following the Business Day on which notice of the demand of such Fixed Forward Pricing Loss Notice is provided by the Secured Party.
- 6.5 Price Indices. Should the LME Price not be published by the London Metal Exchange or otherwise cease to exist, the Secured Party shall use a replacement price index reasonably selected by the Secured Party and approved by the Buyer, such approval not to be unreasonably withheld or delayed.
7. Representation and Warranties. The Buyer represents and warrants to the Secured Party that in accepting these terms and conditions: (i) it has accepted these terms and conditions in reliance upon such tax, accounting, regulatory, legal and financial advice as it deems necessary and not upon any view expressed by the other, except those express representations, warranties, covenants, and agreements set forth in these terms and conditions; and (ii) it has such sophistication, knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of accepting these terms and conditions.

- 7.1 Term and Termination. Unless terminated earlier for default pursuant to Section 6, this Agreement shall continue in effect until terminated by either party upon thirty (30) days advance written notice to the other party; provided, however that a termination pursuant to this Section 8 shall have no effect on Fixed Forward Pricing Commitments already in effect as of the termination date. For purposes of clarity, the parties agree that, notwithstanding any termination pursuant to this Section 8, this Agreement shall continue in full force and effect with respect to existing Fixed Forward Pricing Commitments until all obligations of the parties hereunder have been fully performed.