

ALERIS ROLLED PRODUCTS, INC.

SUPPLY AGREEMENT TERMS AND CONDITIONS

1. **DEFINITIONS:** For purposes of these Terms and Conditions: the term "Seller" means Aleris Rolled Products, Inc., or any company that is a direct or indirect subsidiary, parent or affiliate of Aleris Rolled Products, Inc.; the term "Purchaser" means the individual, corporation or entity that is purchasing Goods under this Supply Agreement; the term "Supply Agreement" means these Terms and Conditions, together with the Supply Agreement to which they are attached and into which they are incorporated; the term "Goods" means any items to be sold to Purchaser by Seller pursuant to this Supply Agreement.
 2. **BLUE PRINTS AND SPECIFICATIONS:** All orders of Goods are accepted with the understanding that the Goods furnished will be in accordance with blue prints and specifications on hand in Seller's files or furnished to Seller with the Purchaser's order, but only if such blue prints and specifications have been specifically agreed to and accepted by Seller in writing as applicable to such order. Seller assumes no responsibility for any changes in specifications and/or blue prints, unless such changes are confirmed in writing by Purchaser and accepted in writing by Seller. Any price variation resulting from such changes shall become effective immediately upon acceptance of such changes.
 3. **EQUIPMENT:** Any equipment (including jigs, dies and tools) which Seller constructs or acquires for Purchaser, notwithstanding any charges therefore, shall be and remain Seller's property and in Seller's possession and control, and any amounts paid in connection therewith by the Purchaser shall be considered a service charge. All such equipment will be used exclusively for the manufacture of Goods for Purchaser. When for three (3) consecutive years no orders are received from Purchaser for Goods that require the use of such equipment, Seller, after giving thirty (30) days written notice to Purchaser, may make such use or disposition of such equipment as it desires without liability or expense to Purchaser. New or additional dies or changes necessary in existing equipment to conform with changes in design ordered by the Purchaser are to be paid for by the Purchaser. Dies or equipment service charges applicable cover only the useful life of such dies or equipment. Any materials or equipment owned or furnished by Purchaser will be carefully handled and stored by Seller while in Seller's possession, but Seller shall have no responsibility for loss or damage thereto.
 4. **ACCEPTANCE:** Purchaser is responsible for verifying the description and condition of the Goods unless otherwise agreed between the parties in writing. Purchaser shall inspect the Goods as soon as possible upon its receipt. Any claim of non-conformity with respect to the Goods (other than for hidden or latent defects) or their shipment or delivery is waived, unless made in writing by Purchaser to Seller, specifically stating the details of such non-conformity, within a reasonable time not exceeding ten (10) days after Purchaser receives the Goods. Seller shall be given the opportunity to confirm, by its or its representative's inspection, the complaint of the Purchaser. If, in Seller's opinion, after such inspection, the complaint of Purchaser is valid, or if Seller elects not to inspect, Seller shall thereupon have the right either to (i) replace such Goods within a reasonable time with other Goods meeting the agreed specifications or (ii) reimburse Purchaser for the cost of such non-conforming Goods. In either event, Seller shall thereupon have the right to require return of the non-conforming Goods at Seller's cost. The foregoing shall constitute Purchaser's sole remedy for any claim of non-conformity of Goods sold by Seller. Seller's determination of the weight of Goods received and of all Goods shipped shall be binding upon all parties for all purposes related to this Supply Agreement.
 5. **SHIPMENT:** All shipment or delivery dates are approximate. The date of the bill of lading shall constitute conclusive evidence of the date of shipment. Seller reserves the right to ship Goods in advance of any established delivery schedule. Partial shipment and/or transshipment shall be permitted. Each delivery hereunder shall be deemed a separate transaction. No non-conforming tender or delay or failure in the shipment or delivery of any one lot shall excuse Purchaser from accepting tender of any remaining installments hereunder. A default in any payment by Purchaser after shipment or offer of shipment of any installment may, at the sole and absolute discretion of Seller, be deemed a material default of the entire Supply Agreement.
 6. **TRANSPORTATION:** Except to the extent set forth otherwise in this Supply Agreement, all shipments of Goods shall be CIP (Carriage and Insurance Paid) to the "Ship To" location identified in the Supply Agreement in accordance with INCOTERMS 2010. Seller will bear the cost of transportation of any such Goods except under the following conditions:
 - (a) Purchaser designates route, agency and/or method of transportation. Under this condition, Purchaser will be invoiced for any excess transportation cost, determined by the difference between the transportation charges incurred by Seller and an amount determined by multiplying the weight of such shipped Goods by the lowest available rail carload, truck load, or water borne rate, or any combination thereof, whichever is the lowest.
 - (b) Any excess charges assessed by carrier covering shipments requiring special equipment in handling and/or transporting will be charged to Purchaser.
- All risk of loss, damage or other incidents of ownership shall immediately pass to Purchaser as soon as the Good are handed over to the first carrier; provided, however, that Seller retains a security interest in the Goods as security for Purchaser's performance until payment in full is received.
7. **SPECIAL CONTAINERS:** Unless otherwise specified, prices do not include the cost of special containers in which Goods are packed and shipped. These containers are the property of Seller and shall be returned promptly upon Seller's request.
 8. **PAYMENTS:** Unless otherwise specified in this Supply Agreement, the price and all charges and payments required by this Supply Agreement shall be made no later than thirty (30) days after the date of invoice or the date of shipment, whichever is sooner, and shall be payable only in U.S. dollars. Notwithstanding the foregoing, any equipment service charge shall be due and payable upon approval of the sample. Seller may instruct that all remittances be sent to a bank or other receiving agency or depository. No receiving agency or depository has authority to settle claims for Seller or to accept payment tendered as payment in full. Therefore, Purchaser agrees that notwithstanding any endorsements or other legend appearing on Purchaser's checks, drafts or other orders for payment of money, they do not, because of such endorsement or legend, or otherwise, constitute payment in full or settlement of account.
 9. **TAXES:** Purchaser shall, in addition to the payments required hereunder, pay all sales, use, transfer, excise, privilege or other taxes, whether federal, state or local, howsoever designated, which are levied or imposed by reason of the transaction contemplated hereby; excluding, however, income taxes on profits which may be levied on Seller. Purchaser shall reimburse Seller for the amount of any such taxes paid or accrued by Seller as a result of this transaction. Where applicable such taxes or assessments shall be added to the invoices as a separate charge to be paid by Purchaser.
 10. **PURCHASER'S CREDIT:** Purchaser's credit shall be subject to Seller's continuing approval. In the event Purchaser's credit position, in the opinion of Seller, is unsatisfactory or becomes impaired, Seller may limit, modify or cancel the credit of Purchaser and demand advance payment, satisfactory security or a guarantee of prompt payment before shipment or delivery of the whole or any part of the Goods without in any way affecting the obligation of Purchaser to perform under this Supply Agreement. If Purchaser refuses to give the payment, security or guarantee demanded, or if Purchaser is in default in any payment or if any proceedings, voluntary or involuntary, are instituted by or against the Purchaser in bankruptcy or insolvency or under any provision of the U.S. Bankruptcy Act, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, Seller shall have all of the rights of secured party under the UCC and may cancel this

Supply Agreement, refuse to deliver any undelivered Goods and Purchaser shall immediately become liable to Seller for the unpaid price of all Goods delivered, all Goods in process of manufacture, all tools and dies, and for any and all other damages, including loss of reasonable profits caused by Purchaser's default.

11. **LATE PAYMENTS:** If any amount owing under this Supply Agreement is not paid in full when due, Purchaser shall pay a late charge on the amount unpaid for each day from the due date until paid in full at a rate per annum at all times equal to eleven and nine tenths percent (11.9%) per annum. Late charges shall be payable on demand. It is the intent of Seller and Purchaser in the execution and performance hereof to remain in strict compliance with applicable law from time to time in effect. In furtherance thereof, Seller and Purchaser stipulate and agree that none of the terms and provisions contained herein shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the highest lawful rate or amount of interest permitted to be charged under applicable law. If under any contingency the effective rate or amount of interest which would otherwise be payable hereunder would exceed the highest lawful rate or amount of interest Seller is allowed by applicable law to charge, contract for, take, reserve or receive, or in the event Seller shall charge, contract for, take, reserve or receive monies that are deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable hereunder to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under applicable law then in effect, then the principal amount owed hereunder or the amount of interest which would otherwise be payable hereunder or both shall be reduced to the amount allowed under applicable law as now or hereinafter construed by the courts having jurisdiction, and all such moneys so charged, contracted for, taken, reserved or received that are deemed to constitute interest in excess of the highest lawful rate or amount of interest permitted by applicable law shall immediately be returned to or credited to the account of Purchaser upon such determination. All calculations of the rate or amount of interest contracted for, charged, taken, reserved or received hereunder which are made for the purpose of determining whether such rate or amount exceeds the highest lawful rate or amount, shall be made to the extent not prohibited by applicable law, by amortizing, prorating, allocating and spreading during the period of the full term of the indebtedness outstanding hereunder, all interest at any time contracted for, charged, taken, reserved or received from Purchaser or otherwise by Seller.

12. **PURCHASE MONEY SECURITY INTEREST:** Purchaser grants to Seller a purchase money security interest in the Goods, the proceeds received by Purchaser from the further sale of the Goods and any products into which the Goods shall have been manufactured, processed or assembled so as to secure the payment in full of all amounts owing to Seller by Purchaser on all accounts arising hereunder. Purchaser agrees to separately hold the proceeds of the sale of the Goods until all amounts owing to Seller by Purchaser are paid in full. Customer represents and warrants that the terms hereof do not violate or breach any other agreement to which Customer is a party. Seller shall have the right, and Purchaser hereby authorizes Seller, to file financing statements with respect to the foregoing in all appropriate jurisdictions in order to perfect Seller's security interest and to notify in writing any of Purchaser's creditors of the retention of such purchase money security interest as may be required under applicable laws. In the event of a default by Purchaser of any payment or performance obligation hereunder, Seller, in addition to its other remedies under the Uniform Commercial Code (the "UCC"), may require Purchaser to assemble the Goods covered by Seller's security interest and make it available to Seller at a place reasonably convenient to both Purchaser and Seller to be designated by Seller. Purchaser, in addition to its other liabilities to Seller, shall be responsible for Seller's attorney's fees and legal expenses incurred in connection with Seller's enforcing its security interest granted hereunder by this security agreement.

13. **DEFAULT:** Upon any default or breach of this Supply Agreement by Purchaser or any default or breach by Purchaser of any other agreements that may exist between Purchaser and Seller, Seller shall thereupon have all the remedies of a secured party under the UCC. Seller, at its sole and absolute option, by giving written notice to Purchaser of its election to do so, may as to this Supply Agreement and any other agreements that may exist between Purchaser and Seller, cancel any portion or portions of such agreements and/or defer shipment or delivery of all or any undelivered portions of the Goods covered under this Supply Agreement and any other agreements that may exist between Purchaser and Seller. Seller shall have the right to recover from Purchaser all damages, including but not limited to those enumerated above, and incidental expenses and attorneys' fees resulting from Purchaser's default or breach. Seller will be entitled to offset against any and all amounts of Goods to be delivered to Purchaser under this Supply Agreement and any amounts owing to Purchaser by Seller under any other agreement that may exist between Purchaser and Seller an amount equal to the value of any and all claims Seller may have against Purchaser. Seller shall not be limited in its rights and remedies against Purchaser for any cause whatsoever to those set forth in this Supply Agreement, but shall have, in addition and cumulatively, such other rights and remedies as may be provided to Seller in law or in equity.

14. **BANKRUPTCY:** Purchaser's adjudication of bankruptcy or insolvency, or its inability to pay its debts as they mature, or its making an assignment for the benefit of creditors; or its application for or consent to the appointment of a receiver, trustee, or similar officer for it or for all or any substantial part of its property; or the appointment of such receiver, trustee, or similar officer without the application or consent of Purchaser, or its institution (by petition, application or otherwise), of any bankruptcy, insolvency, reorganization, arrangement, readjustment or similar proceeding, or any dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction, or the institution of any such proceeding (by petition, application, or otherwise) against Purchaser, shall constitute a default under this Supply Agreement and shall afford Seller all the remedies of a secured party under the UCC.

15. **WARRANTY: NEITHER SELLER, NOR ANY AGENT OR REPRESENTATIVE ON ITS BEHALF, HAS MADE ANY WARRANTIES, GUARANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING THAT OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR BUSINESS, PURPOSE OR USE, EVEN IF THAT BUSINESS, PURPOSE OR USE IS KNOWN TO SELLER, EXCEPT THAT SELLER WARRANTS THAT THE GOODS DELIVERED TO PURCHASER UNDER THIS SUPPLY AGREEMENT SHALL CONFORM TO THE SPECIFICATIONS STIPULATED IN THIS SUPPLY AGREEMENT.**

16. **LIMITATION OF LIABILITY: SELLER'S LIABILITY IN CONNECTION HERewith SHALL BE LIMITED TO THE VALUE OF THE GOODS TENDERED TO PURCHASER. THE PARTIES AGREE THAT IN NO EVENT SHALL SELLER BE LIABLE FOR DEFECTS IN OR DAMAGES TO THE PRODUCTS IN WHICH THE GOODS ARE USED OR FOR ANY INCIDENTAL, PUNITIVE, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR ANY LOSS OF PROFIT OF ANY KIND OR OF ANY OTHER NATURE BY REASON OF ANY ALLEGED BREACH OR DEFAULT UNDER THIS SUPPLY AGREEMENT NOR SHALL SELLER BE LIABLE FOR PURCHASER'S COURT COSTS OR ATTORNEYS FEES.**

17. **PATENTS:** The sale of Goods under this Supply Agreement shall not grant to Purchaser any right or license of any kind under any patent owned or controlled by Seller or under which Seller is licensed, but the foregoing shall not be understood to limit in any way the right of Purchaser to use and sell such Goods. Purchaser agrees it will save Seller and its subsidiaries, affiliates, employees, directors and agents harmless from any loss, damage or liability which may be incurred by any of them on account of any infringement of any patent, copyright, trademark or other intellectual property right arising out of or otherwise related to Purchaser's use of the Goods, and that it will, at its own expense defend any action, suit or claim in which any such infringement is alleged.

18. **FORCE MAJEURE:** Seller shall not be liable for any failure or delay of performance under this Supply Agreement arising in any way from any circumstance not within the reasonable control of Seller, including but not limited to, acts of God, fire, flood, storm or other natural phenomena, restraint of governments, rulers or other authorities (including allocations, priorities, requisitions, quotas and price controls), perils of the sea, war or warlike hostilities, terrorist acts, civil insurrection, blockades or prohibitions of export or import, strikes, lockouts or other labor disputes preventing or hindering the sale or delivery of the Goods, breakdown or preventions of working of machinery, delay or non-availability of any items necessary for the sale or delivery of the Goods, loss, delay, detention or non-availability of a carrying vessel or other means of transportation, delays in loading or discharging the Goods, failure of Seller's supplier to make delivery to Purchaser and any other cause whatsoever, wheresoever, and howsoever preventing or hindering the delivery of the Goods. Should a failure or delay in Seller's performance occur because of any of the foregoing, Seller shall have the option of either canceling this Supply Agreement or delaying performance hereunder for as long as the circumstances prevail, during which time this Supply Agreement shall remain in full force and effect. Seller shall promptly notify Purchaser as to the reason for its failure or delay in

performance and as to whether it has cancelled this Supply Agreement or delayed its performance hereunder. If performance is delayed, Seller shall also notify Purchaser as to the period of time during which the delay is likely to continue. Seller shall have the further right to then allocate its available goods between its own end uses and its customers in such manner as Seller may consider appropriate.

19. **INDEMNIFICATION:** Purchaser agrees to indemnify, defend and hold harmless Seller, its affiliates, assignees, officers, directors, employees, agents and representatives from and against any liability, claim, loss, demand, damage, cost and expense (including attorneys' fees and litigation costs) relating to any claim of injury or damage of any kind to any person or property asserted to be caused by, resulting from or attributable to the nature or quality of the Goods delivered hereunder. If Purchaser's employees or other representatives enter upon the premises occupied by or under the control of Seller, Purchaser shall take all necessary precautions to prevent the occurrence of injury or death to any person or damage to any property arising out of any acts or omissions of such employees or other representatives, and Purchaser agrees to indemnify, defend and hold harmless Seller, its affiliates, assignees, officers, directors, employees, agents and representatives from and against any liability, claim, loss, demand, damage, cost and expense (including attorneys' fees and litigation costs) relating to any claim of injury or damage of any kind to any person or property asserted to be caused by, resulting from or attributable to any act or omission of Purchaser, its employees or other representatives.

20. **ASSIGNMENT:** Neither this Supply Agreement nor any right or obligation under this Supply Agreement shall be assigned by Purchaser without the prior written consent of Seller, the giving or withholding of which is in Seller's sole and absolute discretion.

21. **SEVERABILITY:** If any provision of this Supply Agreement shall for any reason and to any extent be deemed invalid or unenforceable, the remainder of this Supply Agreement shall not be affected thereby, but rather the invalid or unenforceable provision shall be modified to the extent necessary so as to render such provision valid and enforceable to the greatest extent possible accomplishing the intended purpose of said provision. All provisions of this Supply Agreement relating to indemnity shall survive the termination of this Supply Agreement.

22. **MISCELLANEOUS:** This document, together with the Supply Agreement entered into between Purchaser and Seller to which these Terms and Conditions are attached and into which they are incorporated, constitutes the entire Supply Agreement and contains all of the agreements of the parties, written or oral. All prior written or oral representations, promises, conditions, or statements, express or implied, are merged herein. Seller hereby expressly objects to any additional, contradictory or different terms contained in any initial or subsequent order or communication from Purchaser pertaining to the Goods. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Supply Agreement. Acceptance or acquiescence in a course of performance rendered under this Supply Agreement shall not be relevant to determine the meaning of this Supply Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and the opportunity for objection. These terms may not be waived, varied or changed, nor are additional or different terms added by the Purchaser acceptable, except as consented to in writing signed by an authorized officer of Seller. The waiver or failure of either party to exercise any right in any respect provided for herein shall not be deemed to be a waiver of any further right hereunder. Purchaser's acceptance is expressly limited to Seller's terms, notwithstanding any provision contained in Purchaser's forms. This Supply Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to principles of conflicts of laws. Any litigation arising under or related to this Supply Agreement shall be conducted in Cuyahoga County, Ohio, and the courts in Cuyahoga County, Ohio shall have personal jurisdiction over Purchaser to hear all litigation arising out of this Supply Agreement, and venue shall be proper with such courts to hear such litigation. Subject to the exceptions and limitations hereinafter set forth, nothing herein contained shall affect or impair any remedies of Seller for Purchaser's breach afforded by the UCC. Any action of any kind against Seller by Purchaser must be commenced within one year from the date such right, claim, demand or cause of action shall first have accrued, otherwise such right, claim, demand or cause of action shall be barred.