

Aleris Rolled Products, Inc
TERMS AND CONDITIONS
FOR SALE OF PRODUCTS

- A four (4) page document -

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 subject to these Terms and Conditions; the term “Terms and Conditions” means these Terms and Conditions, together with any supply agreement, purchase order, order acknowledgement or other documentation of sale to which they are attached and into which they are incorporated; the term “Goods” means any items to be sold to Purchaser by Seller subject to these Terms and Conditions.

2. 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 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 thirty (30) 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 these Terms and Conditions.

3. 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 any ongoing supply agreement.

4. TRANSPORTATION: Except to the extent set forth otherwise in writing between the parties, all shipments of Goods to any destination in the Continental United States, except Alaska and Hawaii, shall be F.C.A. Seller’s manufacturing facility. Upon delivery of Goods to Purchaser, all risk of loss, damage or other incidents of ownership shall immediately pass to Purchaser, but title to such Goods will be retained by Seller as security for Purchaser’s performance until payment in full is received.

5. PAYMENTS: Unless otherwise specified in writing between the parties, the price and all charges and payments required by these Terms and Conditions 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.

6. 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.

7. 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 these Terms and Conditions. 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 these Terms and Conditions, 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.

8. LATE PAYMENTS: If any amount owing to Seller 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.

9. 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.

10. DEFAULT: Upon any default or breach of these Terms and Conditions 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 these Terms and Conditions 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 these Terms and Conditions 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 these Terms and Conditions 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 these Terms and Conditions, but shall have, in addition and cumulatively, such other rights and remedies as may be provided to Seller in law or in equity.

11. LIQUIDATED DAMAGES: In the event Purchaser cancels any order placed with Seller which order shall have been accepted and acknowledged by Seller, Purchaser shall pay to Seller as liquidated damages and not as a penalty an amount equal to 10% of the order value. Such amount shall represent the amount of damages incurred by Seller in connection with commitments that may have been made by Seller in order to secure the underlying raw materials necessary to produce and manufacture the Goods so ordered by Purchaser, which damages would otherwise be difficult or impossible to quantify.

12. 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 these Terms and Conditions and shall afford Seller all the remedies of a secured party under the UCC.

13. 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 THESE TERMS AND CONDITIONS SHALL CONFORM TO ANY SPECIFICATIONS AGREED UPON BY THE PARTIES.

14. 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 THESE TERMS AND CONDITIONS NOR SHALL SELLER BE LIABLE FOR PURCHASER'S COURT COSTS OR ATTORNEYS FEES.

15. PATENTS: The sale of Goods under these Terms and Conditions 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.

16. FORCE MAJEURE: Seller shall not be liable for any failure or delay of performance under these Terms and Conditions 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. In addition, any decision on the part of Seller to discontinue operations, either in whole or in part, at any of its manufacturing facilities that has an immediate impact on Seller's ability to perform under these Terms and Conditions shall be deemed an event of Force Majeure. Should a failure or delay in Seller's performance occur because of any of the foregoing, Seller shall have the option of either canceling these Terms and Conditions or delaying performance hereunder for as long as the circumstances prevail, during which time these Terms and Conditions 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 these Terms and Conditions 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.

17. ASSIGNMENT: Neither these Terms and Conditions nor any right or obligation under these Terms and Conditions 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.

18. SEVERABILITY: If any provision of these Terms and Conditions shall for any reason and to any extent be deemed invalid or unenforceable, the remainder of these Terms and Conditions 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 these Terms and Conditions relating to indemnity shall survive the termination of these Terms and Conditions.

19. MISCELLANEOUS: This document, together with any supply agreement, purchase order, order acknowledgement or other documentation of sale entered into between Purchaser and Seller to which these Terms and Conditions are attached and into which they are incorporated, constitutes 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 these Terms and Conditions. Acceptance or acquiescence in a course of performance rendered under these Terms and Conditions shall not be relevant to determine the meaning of these Terms and Conditions 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. These Terms and Conditions 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 these Terms and Conditions 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 these Terms and Conditions, 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.