

(Multicurrency--Cross Border)

ISDA[®]

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of May 10, 1999

KOCH METALS DIVISION, a division of Koch Carbon, Inc., a Kansas corporation ("Party A")
and
IMCO RECYCLING, INC. ("Party B")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

- (a) **General Conditions.**
 - (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
 - (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
 - (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) *Change of Account.* Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) *Netting.* If on any date amounts would otherwise be payable:

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) *Deduction or Withholding for Tax.*

(i) *Gross-Up.* All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) *Liability.* If:

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) *Default Interest; Other Amounts.* Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by Law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:

(a) *Basic Representations.*

- (i) *Status.* It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (ii) *Powers.* It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;
- (iii) *No Violation or Conflict.* Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) *Consents.* All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) *Obligations Binding.* Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at Law)).

(b) *Absence of Certain Events.* No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) *Absence of Litigation.* There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at Law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) *Accuracy of Specified Information.* All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) *Payer Tax Representation.* Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) *Payee Tax Representations.* Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:

(a) *Furnish Specified Information.* It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) *Maintain Authorizations.* It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) *Comply with Laws.* It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) *Tax Agreement.* It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) *Payment of Stamp Tax.* Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) *Events of Default.* The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:

(i) *Failure to Pay or Deliver.* Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) *Breach of Agreement.* Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) *Credit Support Default.*

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) *Misrepresentation.* A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) *Default under Specified Transaction.* The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) *Cross Default.* If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an

aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) *Bankruptcy*. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) *Merger Without Assumption*. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) *Termination Events*. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:

(i) *Illegality*. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):

(1) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction.

(ii) *Tax Event.* Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) *Tax Event Upon Merger.* The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) *Credit Event Upon Merger.* If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X, or its successor or transferee, as appropriate, will be the Affected Party); or

(v) *Additional Termination Event.* If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) *Event of Default and Illegality.* If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) *Right to Terminate Following Event of Default.* If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8) and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) *Right to Terminate Following Termination Event.*

(i) *Notice.* If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) *Transfer to Avoid Termination Event.* If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) *Two Affected Parties.* If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) *Right to Terminate.* If:

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2) a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) *Effect of Designation.*

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) *Calculations.*

(i) *Statement.* On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) *Payment Date.* An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) *Payments on Early Termination.* If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) *Events of Default.* If the Early Termination Date results from an Event of Default:

(1) *First Method and Market Quotation.* If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) *First Method and Loss.* If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If the Early Termination Date results from a Termination Event:

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be

references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) *Payment in the Contractual Currency.* Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual

Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) *Judgments.* To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which, the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) *Separate Indemnities.* To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed, and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) *Evidence of Loss.* For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

(a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) *Counterparts and Confirmations.*

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient

for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) *No Waiver of Rights.* A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) *Headings.* The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organization of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.

(b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.

(c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) *Effectiveness.* Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answer back is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day,

in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) *Change of Addresses.* Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) *Service of Process.* Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) *Waiver of Immunities.* Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:

"*Additional Termination Event*" has the meaning specified in Section 5(b).

"*Affected Party*" has the meaning specified in Section 5(b).

"*Affected Transactions*" means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:

- (a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;
- (b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;
- (c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and
- (d) in all other cases, the Termination Rate.

"Burdened Party" has the meaning specified in Section 5(b).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organized, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"Law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial center, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be such party's head or home office.

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organized, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect

immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Currency" has the meaning specified in the Schedule.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH METALS DIVISION,
a division of Koch Carbon, Inc.,
a Kansas corporation

IMCO RECYCLING, INC.

By: Jeff Gentry

Name: Jeff Gentry

Title: President of Koch Carbon, Inc.

Date: July 6, 1999

By: James B. Walburg

Name: JAMES B. WALBURG

Title: Sr. V.P. & TREASURER

Date: 6/16, 1999

(Multicurrency--Cross Border)

ISDA[®]

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of May 10, 1999

KOCH METALS DIVISION, a division of Koch Carbon, Inc., a Kansas corporation ("Party A")
and
METALCHEM INC. ("Party B")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If:

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by Law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:

(a) **Basic Representations.**

- (i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at Law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at Law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorizations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2 (a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an

aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):

(1) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction.

(ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) **Tax Event Upon Merger.** The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X, or its successor or transferee, as appropriate, will be the Affected Party); or

(v) **Additional Termination Event.** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8) and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) ***Transfer to Avoid Termination Event.*** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) ***Right to Terminate.*** If:

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2) a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) **Second Method and Loss.** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:

(1) **One Affected Party.** If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be

references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) **Two Affected Parties.** If there are two Affected Parties:

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual

Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which, the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed, and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

(a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) **Counterparts and Confirmations.**

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient

for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organization of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.

(b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.

(c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answer back is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day,

in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) *Change of Addresses.* Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) *Service of Process.* Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) *Waiver of Immunities.* Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:

"*Additional Termination Event*" has the meaning specified in Section 5(b).

"*Affected Party*" has the meaning specified in Section 5(b).

"*Affected Transactions*" means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:

- (a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;
- (b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;
- (c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and
- (d) in all other cases, the Termination Rate.

"Burdened Party" has the meaning specified in Section 5(b).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organized, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"Law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial center, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be such party's head or home office.

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organized, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect

immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Currency" has the meaning specified in the Schedule.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH METALS DIVISION,
a division of Koch Carbon, Inc.,
a Kansas corporation

METALCHEM INC.

By: 

Name: Jeff Gentry *JG*

Title: President of Koch Carbon, Inc.

Date: July 6, 1999

By: 

Name: JAMES B. WALBY

Title: Sr. V.P. & Treasurer

Date: 6/16/99, 1999

ISDA
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
MASTER AGREEMENT
(Multicurrency—Cross Border)

dated as of May 10, 1999

between
KOCH METALS DIVISION, a division of Koch Carbon, Inc., a Kansas corporation ("Party A")
and
METALCHEM INC. ("Party B")

Part 1. Termination Provisions.

- (a) "*Specified Entity*" means in relation to Party A for the purpose of:
- Section 5(a)(v) (Default under Specified Indebtedness), Not Applicable.
 - Section 5(a)(vi) (Cross Default), Not Applicable.
 - Section 5(a)(vii) (Bankruptcy), Not Applicable.
 - Section 5(b)(iv) (Credit Event Upon Merger), Not Applicable.
- and in relation to Party B for the purpose of:
- Section 5(a)(v) (Default under Specified Indebtedness), Not Applicable.
 - Section 5(a)(vi) (Cross Default), Not Applicable.
 - Section 5(a)(vii) (Bankruptcy), Not Applicable.
 - Section 5(b)(iv) (Credit Event Upon Merger), Not Applicable.
- (b) "*Specified Transaction*" will have the meaning specified in Section 14 of this Agreement.
- (c) The "*Cross Default*" provisions of Section 5(a)(vi) will apply to Party A
will apply to Party B.

However, Section 5(a)(vi) is hereby amended by the deletion of the words " , or becoming capable at such time of being declared," from clause (1) of such provision.

If such provisions apply:

"*Specified Indebtedness*" will have the meaning specified in Section 14 of this Agreement, as amended by adding the following language at the end of the definition set forth in Section 14:

"other than obligations in respect of money borrowed on a non-recourse basis."

"*Threshold Amount*" means in relation to Party A, US\$25,000,000 (or its equivalent in any other currency) and in regard to Party B, US\$5,000,000 (or its equivalent in any other currency).

- (d) Section 5(a) of this Agreement shall be amended by adding the following additional Events of Default as a new subsection 5(a)(ix):

(ix) ***Failure to Provide Adequate Assurance.*** The failure of either party (the "Failing Party") to provide Adequate Assurance to the other Party (the "Demanding Party") within 2 Business Days of the Demanding Party's written demand for such assurance when such demand is based upon the Demanding Party's reasonable good faith belief that the ability of the Failing Party to perform its obligations under this Agreement is materially impaired. For purposes of this Section 5(a)(ix), Adequate Assurance shall mean any financial security in a form and amount satisfactory to the Demanding Party.

- (e) The "***Credit Event Upon Merger***" provisions of Section 5(b)(iv) will apply to Party A
will apply to Party B.
- (f) The "***Automatic Early Termination***" provision of Section 6(a) will apply to Party A
will apply to Party B.
- (g) ***Payments on Early Termination.*** For the purpose of Section 6(e) of this Agreement:
- (i) Market Quotation will apply.
- (ii) The Second Method will apply.
- (h) "***Termination Currency***" means such currency of any Transaction in respect of which an Early Termination Date has been designated or is deemed to occur as may be selected by the party which is not the Defaulting Party or the Affected Party (as the case may be), or where there are two Affected Parties such currency as may be agreed between them, if such currency is freely available, and otherwise United States Dollars.
- (i) ***Additional Termination Event*** will not apply.

Part 2. Tax Representations.

Payer Representations. For the purpose of Section 3(e) of this Agreement, Party A will make the following representation and Party B will make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

Payee Representations. Not Applicable.

Part 3. Agreement to Deliver Documents.

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

Documents to be delivered are:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A & B	Signing Authority being evidence of authority, incumbency and specimen signature of each person executing any document on its behalf in connection with this Agreement and the Credit Support Document	On the signing of this Agreement and, if requested, any Confirmation	Yes
Party A & B	A certified copy of the resolution adopted by the Board of Directors, authorising the execution and delivery of this Agreement and any Confirmation thereunder and the performance of its obligations under this Agreement and any Confirmation thereunder	On the signing of this Agreement	Yes
Party A & B	A most recent copy of the Party's Annual Report and Accounts, if publicly filed	As soon as practicable after request	No

Part 4. Miscellaneous.

(a) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to **Party A:**

Address: 4111 East 37 th St. North Wichita, Kansas 67220	<u>Regarding Confirmation/Trading Transactions:</u> Address: 2 George Yard, 7 th Floor London, EC3V 9DH
Attention: Capital Services Legal - ISDA	Attention: Stan Kirby
Facsimile No.: 316-828-3133	Telephone No.: 44-171-648-6373
	Facsimile No.: 44-171-648-6301

Address for notices or communications to **Party B:**

Address: Central Tower at Williams Square - Suite 940
5215 North O'Conner Blvd.
Irving, Texas 75039

Attention: Jeff Hyde
Telephone No.: 972-401-7382
Facsimile No.: 972-401-7342

- (b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:
- Party A appoints as its Process Agent - Not Applicable.
Party B appoints as its Process Agent - Not Applicable.
- (c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.
- (d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:
- Party A is not a Multibranch Party.
- Party B is not a Multibranch Party.
- (e) **Calculation Agent.** The Calculation Agent is Party A unless otherwise specified in a Confirmation in relation to the relevant Transaction. The failure of Party A to perform its obligations as Calculation Agent hereunder shall not be construed as an Event of Default or Termination Event.
- (f) **Credit Support Document.** Shall mean for Party A and Party B the Credit Support Annex attached hereto and any other agreement which Party A and Party B may enter into with respect to the provision of Additional Eligible Collateral. In regard to Party B, the Guaranty of its Credit Support Provider.
- (g) **Credit Support Provider.** In regard to Party B, IMCO Recycling, Inc..
- (h) **Governing Law.** This Agreement will be governed by and construed in accordance with New York law (without reference to choice of law doctrine).
- (i) **Netting of Payments.** Sub-paragraph (ii) of Section 2(c) of this Agreement will not apply to any Transactions hereunder.
- (j) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

Part 5. Other Provisions.

(1) **Definitions.** This Agreement, each Confirmation, and each Transaction are subject to the 1991 ISDA Definitions, the 1998 ISDA FX and Currency Option Definitions, the 1993 ISDA Commodity Derivatives Definitions, the 1996 ISDA Equity Derivatives Definitions, the 1997 ISDA Government Bond Option Definitions and the ISDA Confirmation of OTC Credit Swap Transaction, as applicable, each as amended, supplemented, updated and restated (the "Definitions"), each as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and will be governed in all respects by the Definitions (except that references to "Swap Transactions" in the Definitions will be deemed to be references to "Transactions"). The Definitions, as so modified, are incorporated by reference herein, and made part of, this Agreement and each Confirmation as if set forth in full in this Agreement and such Confirmations.

(2) **Escrow Payments.** If (whether by reason of the time difference between the cities in which payments are to be made or otherwise) it is not possible for simultaneous payments to be made on any date on which both parties are required to make payments hereunder, either party may at its option and in its sole discretion notify the other party that payments on that date are to be made in escrow. In this case deposit of the payment due earlier on that date shall be made by 2:00 p.m. (local time at the place for the earlier payment) on that date with an escrow agent selected by the notifying party, accompanied by irrevocable payment instructions (i) to release the deposited payment to the intended recipient upon receipt by the escrow agent of the required deposit of the corresponding payment from the other party on the same date accompanied by irrevocable payment instructions to the same effect or (ii) if the required deposit of the corresponding payment is not made on that same date, to return the payment deposited to the party that paid it into escrow. The party that elects to have payments made in escrow shall pay all costs of the escrow arrangements.

(3) **Inconsistency.** In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement or the Definitions, such Confirmation will prevail for the purpose of the relevant Transaction.

(4) **Scope of Agreement.** Upon the effectiveness of this Agreement, unless otherwise agreed to in writing by the parties to this Agreement with respect to Specified Transactions, all Specified Transactions then outstanding and all Specified Transactions in the future between the parties shall be subject to the terms hereof.

(5) **Waiver of Jury Trial.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement or any Credit Support Document. Each party (i) certifies that no representative, agent or attorney of the other party or any Credit Support Provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Agreement and provide for any Credit Support Document, as applicable, by, among other things, the mutual waivers and certifications in this Section.

(6) **Severability.** In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavour, in good faith negotiations, to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(7) **Change of Account.** Section 2(b) of the Agreement is hereby amended by adding the following provision at the end thereof: "provided that such new account shall be in the same legal and tax jurisdiction as the account prior to any such change."

(8) **Additional Representations.** Section 3(a) is amended by adding the following paragraphs (vi), (vii), (viii) and (ix);

(vi) **Pari Passu.** Its payment obligations hereunder rank and will rank at all times at least pari passu in all respects with all of its other unsecured obligations (except for those which are preferred by operation of law).

(vii) **No Reliance.** In connection with the negotiation of, the entering into, and the confirming of the execution of this Agreement, any Credit Support Document to which it is a party, and each Transaction:

(a) it is acting as principal (and not as agent or in any other capacity, fiduciary or otherwise);

(b) the other party is not acting as a fiduciary or financial or investment advisor for it;

(c) it is not relying upon any representation (whether written or oral) of the other party other than the representations expressly set forth in this Agreement;

(d) the other party has not given to it (directly or indirectly through any other person) any advice, counsel, assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect consequence, or benefit (either legal regulatory, tax, financial accounting, or otherwise) of this Agreement, such Credit Support Document, or such Transaction;

(e) it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it has deemed necessary, and it has made its own investment, hedging, and other decisions regarding the Transactions based upon its own judgement and upon any advice from such advisors as it has deemed necessary, and not upon any view expressed by the other party;

(f) all decisions regarding the Transactions have been the result of arm's length negotiations between the parties, and

(g) it is entering into this Agreement, such Credit Support Document, and such Transaction with a full understanding of all of the risks hereof and thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks.

(viii) **Eligible Swap Participant.** It is an "eligible swap participant" as that term is defined by the United States Commodity Futures Trading Commission in 17 C.F.R. § 35.1(b)(2).

(ix) **Commercial User.** Solely with respect to Options, it is a producer, processor, or commercial user of, or a merchant handling, the commodity which is the subject of the Transaction, or the products or byproducts thereof, and it is entering into such Transaction solely for purposes related to its business as such.

(9) **Default Under Specified Transactions.** The provisions of Section 5(a)(v) of this Agreement are modified by adding, immediately prior to the semicolon at the end thereof, the following:

"provided, however, that it shall not constitute an Event of Default under Section 5(a)(v) if (A) such event of default or failure to pay arises in the ordinary course of business by mistake, oversight, or transfer difficulties and (B) such event of default or failure to pay is remedied on or before the [fifth] Business Day after the occurrence or existence of such event of default or failure to pay."

(10) **Set Off.**

The following shall be added as Section 6(f):

Any amount (the "Early Termination Amount") payable to one party (the Payee) by the other party (the Payer) under Section 6(e), in circumstances where there is a Defaulting Party will, at the option of the Non-defaulting Party, be reduced by its set-off against any amounts (the "Other Agreement Amount") payable (whether at such time or in the future) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement(s) between the Payee and the Payer or instrument(s) issued or executed by one party to, or in favour of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). The Non-defaulting Party will give notice as soon as reasonably practicable to the other party of any set-off effective under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Agreement amount (or the relevant portion of such amounts) may be converted by the Non-defaulting Party into the currency in which the other is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner, in good faith and with the consultation of the other party, to purchase the relevant amount of such currency.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(11) **Transfer.** The consent referred to in Section 7 shall not (after consideration of any tax or other consequences to a party of consenting to such assignment) be unreasonably withheld.

(12) **Consent to Recording.** The parties agree to amend Section 9 by adding a new Section 9(h) as follows:

(h) **Consent to Recording.** The parties agree that each may electronically record all telephone conversations between them regarding any Transaction and the terms thereof, with or without the use of a warning tone, and that any such recordings may be submitted in evidence to any court or in any Proceeding for the purpose of establishing the formation or existence of any Transaction and the terms thereof. Each party hereby consents to such recording and agrees to obtain any necessary consent to, and provide notice of such recording to, its personnel and the personnel of its Affiliates.

(13) **Termination.** If no Specified Transactions (or any present or future payment obligations, contingent or otherwise, thereunder) are outstanding under this Agreement, either party may terminate this agreement upon written notice to the other party.

Part 6. Provisions for Commodity Derivative Transactions.

(1) The "Market Disruption Events" specified in Section 7.4(c)(vi), (c)(vii) and (c)(viii) and 7.4(d)(i) of the Commodity Definitions shall apply, except as otherwise specifically provided in the Confirmation.

(2) "Additional Disruption Events" shall apply if so specified in the Confirmation.

(3) The following "Disruption Fallbacks" specified in Section 7.5(c) of the Commodity Definitions shall apply, in the following order, except as otherwise specifically provided in the Confirmation:

- (i) "Fallback Reference Price",
- (ii) "Negotiated Fallback",
- (iii) "Postponement", provided that the "Maximum Days of Disruption" shall be three (3);
- (iv) "Average Daily Price Disruption", and,
- (v) "Calculation Agent Determination".

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH METALS DIVISION,
a division of Koch Carbon, Inc.,
a Kansas corporation

METALCHEM INC.

By: 

By: 

Name: Jeff Gentry *JG*

Name: JAMES B WALBURN

Title: President, Koch Carbon, Inc.

Title: Sr VP + TREASURER

Date: July 6, 1999

Date: 6/16, 1999

(Bilateral Form)

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CREDIT SUPPORT ANNEX

TO THE SCHEDULE TO THE
ISDA MASTER AGREEMENT

dated as of May 10, 1999

between

KOCH METALS DIVISION, a division of Koch Carbon, Inc., a Kansas corporation and METALCHEM INC.
("Party A") ("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency**. Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor**. All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; provided, however, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount**. Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Delivery Amount**" applicable to the Pledgor for any Valuation Date will equal the amount by which:

- (i) the Credit Support Amount exceeds
- (ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "Return Amount" applicable to the Secured Party for any Valuation Date will equal the amount by which:

- (i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party exceeds
- (ii) the Credit Support Amount.

"Credit Support Amount" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

- (i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and
- (ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) **Substitutions.**

- (i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and
- (ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) **Care of Posted Collateral.** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) **Eligibility to Hold Posted Collateral; Custodians.**

(i) **General.** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) **Failure to Satisfy Conditions.** If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after

the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) *Liability.* The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) *Use of Posted Collateral.* Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) *Distributions and Interest Amount.*

(i) *Distributions.* Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) *Interest Amount.* Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;

(ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or

(iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) **Secured Party's Rights and Remedies.** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a Secured Party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
- (iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) **Pledgor's Rights and Remedies.** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

- (i) the Pledgor may exercise all rights and remedies available to a Pledgor under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;
- (iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and
- (iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:
 - (A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
 - (B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) **Deficiencies and Excess Proceeds.** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) **Final Returns.** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

- (i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;
- (ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;
- (iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and
- (iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

- (a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.
- (b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).
- (c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

- (a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.
- (c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the Security

interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) **Demands and Notices.** All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:

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

"Credit Support Amount" has the meaning specified in Paragraph 3.

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; **provided** that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of that Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"Posted Credit Support" means Posted Collateral and Other Posted Support.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; provided, however, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Secured Party" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

- (i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;
- (ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;
- (iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and
- (iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

"Valuation Agent" has the meaning specified in Paragraph 13.

"Valuation Date" means each date specified in or otherwise determined pursuant to Paragraph 13.

"Valuation Percentage" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"Valuation Time" has the meaning specified in Paragraph 13.

"Value" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

- (i) Eligible Collateral or Posted Collateral that is:
 - (A) Cash, the amount thereof; and
 - (B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;
- (ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and
- (iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH METALS DIVISION,
a division of Koch Carbon, Inc.
a Kansas corporation

METALCHEM INC.

By: Jeff Gentry

Name: Jeff Gentry

Title: President, Koch Carbon, Inc.

Date: July 6, 1999

By: James B. Walberg

Name: JAMES B WALBERG

Title: Sr. V.P. + TREASURER

Date: 6/16, 1999

ISDA
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
CREDIT SUPPORT ANNEX

dated as of May 10, 1999

between

KOCH METALS DIVISION, a division of Koch Carbon, Inc., a Kansas corporation ("Party A")

and

METALCHEM INC. ("Party B")

Paragraph 13. Elections and Variables

- (a) **Security Interest for "Obligations".** The term "**Obligations**" as used in this Annex includes the following additional obligations:

With respect to Party A: None

With respect to Party B: None

- (b) **Credit Support Obligations.**

- (i) **Delivery Amount, Return Amount and Credit Support Amount:**

(A) "**Delivery Amount**" has the meaning specified in Paragraph 3(a).

(B) "**Return Amount**" has the meaning specified in Paragraph 3(b).

(C) "**Credit Support Amount**" has the meaning specified in Paragraph 3.

- (ii) **Eligible Collateral.** The following items will qualify as "**Eligible Collateral**" for the party specified:

	<u>Party A</u>	<u>Party B</u>	<u>Valuation Percentage</u>
(A) Cash	[X]	[X]	100%
(B) Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of not more than one year ("Treasury Bills")	[X]	[X]	97%
(C) Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of more than one year but not more than 10 years ("Treasury Notes")	[X]	[X]	97%
(D) Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of more than 10 years ("Treasury Bonds")	[X]	[X]	95%
(E) Other ("Letter of Credit")	[]	[]	N/A

(iii) **Other Eligible Support.** The following items will qualify as "**Other Eligible Support**" for the party specified:

	<u>Party A</u>	<u>Party B</u>	<u>Valuation Percentage</u>
(A) Letters of Credit	[X]	[X]	100% of the Value of the Letter of Credit unless (i) a Letter of Credit Default shall apply with respect to such Letter of Credit, or (ii) 10 or fewer Local Business Days remain prior to the expiration of such Letter of Credit, in either of which case the Valuation Percentage shall be zero

"**Letter of Credit**" shall mean an irrevocable standby letter of credit by a Qualified Institution and utilizing a form acceptable to the Secured Party, with such changes to the terms in that form as the Qualified Institution may require and as may be acceptable to the party hereto in whose favor the letter of credit is issued.

"**Letter of Credit Default**" means, with respect to a Letter of Credit, the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to maintain a credit rating on its long-term senior unsecured debt or long-term deposits of at least A- by Standard & Poor's Corporation ("S&P") or A3 by Moody's Investor Service, Inc. ("Moody's"); (ii) the Issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period; (iii) the Issuer of such Letter of Credit shall disaffirm, disclaim, repudiate, or reject, in whole or in part, or challenge the validity of, such Letter of Credit; (iv) such Letter of Credit shall expire or terminate, or shall fail or cease to be in full force and effect at any time during the term of the Letter of Credit; or (v) any event analogous to an event specified in Section 5(a)(vii) of this Agreement shall occur with respect to the Issuer of such Letter of Credit; **provided, however**, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to the Pledgor in accordance with the terms of this Annex.

"**Qualified Institution**" means a domestic office of a commercial bank or trust company (which is not an Affiliate of such party) organized under the laws of the United States (or any state or a political subdivision thereof) having assets of at least \$10 Billion and a long term debt rating or deposit rating of at least (i) A3 from Moody's and (ii) A- from S&P.

(iv) **Thresholds.** In regard to Party A, the Threshold shall be \$15,000,000. In regard to Party B, the Threshold shall be \$500,000; **provided, however**, that Party A reserves the right, in its sole discretion, pursuant to Party A's normal and continuing credit evaluation procedures, to increase or decrease said threshold.

"**Minimum Transfer Amount**". In regard to Party A and Party B, the Minimum Transfer Amount shall be zero.

(v) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of \$100,000, respectively.

(c) **Valuation and Timing.**

(i) "**Valuation Agent**" means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and for the purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable.

(ii) "**Valuation Date**" means at the request of either party, any Local Business Day which, if treated as a Valuation Date, would result in a Delivery Amount or Return Amount.

(iii) "**Valuation Time**" means the close of business on the Local Business Day before the Valuation Date or date of calculation, as applicable, or any time on the Valuation Date or date of calculation, as applicable; **provided** that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) "**Notification Time**" means 1:00 p.m., New York time, on a Local Business Day.

- (d) **Conditions Precedent and Secured Party's Rights and Remedies.** The following Termination Event(s) will be a "**Specified Condition**" for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party):

	<u>Party A</u>	<u>Party B</u>
Illegality	[]	[]
Tax Event	[X]	[X]
Tax Event Upon Merger	[]	[]
Credit Event Upon Merger	[X]	[X]
Additional Termination Event(s):	None	

- (e) **Substitution.**

- (i) "**Substitution Date**" has the meaning specified in Paragraph 4(d)(ii).
- (ii) **Consent.** The Pledgor must obtain the Secured Party's consent for any substitution pursuant to Paragraph 4(d).

- (f) **Dispute Resolution.**

- (i) "**Resolution Time**" means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 5.

(ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated by the Valuation Agent seeking three mid-market quotes as of the relevant Valuation Date or date of Transfer from parties that regularly act as dealers in the securities or other property in question. The Value will be the arithmetic mean of the quotes received by the Valuation Agent.

- (iii) **Alternative.** The provisions of Paragraph 5 will apply.

- (g) **Holding and Using Posted Collateral.**

(i) **Eligibility to Hold Posted Collateral; Custodians.** Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); provided that the following conditions applicable to it are satisfied:

- (1) Party A is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions: United States of America.

Initially, the Custodian for Party A is not applicable.

Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); provided that the following conditions applicable to it are satisfied:

- (1) Party B is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions: United States of America.

Initially, the Custodian for Party B is not applicable.

Notwithstanding the foregoing, each party hereby covenants and agrees that it will cause all Posted Collateral received from the other party to be entered in one or more accounts (each, a "Collateral Account") with a domestic office of a commercial bank or trust company (which is not an Affiliate of such party) organized under the laws of the United States (or any state or a political subdivision thereof) having assets of at least \$10 Billion and a long term debt rating or deposit rating of at least (i) A3 from Moody's Investors Services, Inc. and (ii) A- from Standard and Poor's Corporation (a "Qualified Institution"), each of which accounts may include property of other parties but will bear a title indicating the Pledgor's interest in said account and the Posted Collateral in such account. In addition, the

Secured Party may direct the Pledgor to transfer or deliver Eligible Collateral directly into the Secured Party's Collateral Account(s). The Secured Party may move the Collateral Accounts from one Qualified Institution to another upon reasonable notice to the Pledgor. The Secured Party shall cause statements concerning the Posted Collateral transferred or delivered by the Pledgor to be sent to the Pledgor on request, which may not be made more frequently than once in each calendar month.

(ii) *Use of Posted Collateral.* The provisions of Paragraph 6(c) will apply.

(h) *Distributions and Interest Amount.*

(i) *Interest Rate.* The "Interest Rate" will be at a rate per annum equal to the one month London Interbank Offered Rate for Dollar deposits as may from time to time be in effect as reported in the *Wall Street Journal*. Such interest shall be calculated on the basis of the actual number of days elapsed and on the basis of a year of 360 days.

(ii) *Transfer of Interest Amount.* The Transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b).

(iii) *Alternative to Interest Amount.* The provisions of Paragraph 6(d)(ii) will apply.

(i) *Additional Representation(s).*

Party A/Party B represents to the other party (which representation(s) will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that: Not Applicable.

(j) *Other Eligible Support and Other Posted Support.*

(i) "Value" with respect to a Letter of Credit means an amount equal to the product of the Valuation Percentage times any undrawn portion of any Letter of Credit maintained by the Pledgor (or its Credit Support Provider) for the benefit of the Secured Party.

(ii) "Transfer" with respect to Letters of Credit means:

(1) for purposes of Paragraph 3(a), delivery of the Letter of Credit by the Pledgor or issuer of the Letter of Credit to the Secured Party at the address of the Secured Party specified in the Notices Section of this Agreement, or delivery of an executed amendment to such Letter of Credit (extending the term or increasing the amount available to the Secured Party thereunder) by the Pledgor or the issuer of the Letter of Credit to the Secured Party at the address of the Secured Party specified in the Notices Section of this Agreement; and

(2) for purposes of Paragraph 3(b), by the return of an outstanding Letter of Credit by the Secured Party to the Pledgor, at the address of the Pledgor specified in the Notices Section of this Agreement, or delivery of an executed amendment to the Letter of Credit in form and substance satisfactory to the Pledgor (reducing the amount available to the Secured Party thereunder) by the Pledgor or the issuer of the Letter of Credit to the Secured Party at the Secured Party's address specified in the Notices Section of this Agreement. If a Transfer is to be effected by a reduction in the amount of an outstanding Letter of Credit previously issued for the benefit of the Secured Party, the Secured Party shall not unreasonably withhold its consent to a commensurate reduction in the amount of such Letter of Credit and shall take such action as is reasonably necessary to effectuate such reduction.

(iii) *Letter of Credit Provisions.* Other Eligible Support provided in the form of a Letter of Credit shall be subject to the following provisions:

(1) Unless otherwise agreed in writing by the parties, each Letter of Credit shall be provided in accordance with the provisions of this Annex, and each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledgor shall: (i) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; and (ii) if the Qualified Institution that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit (or provide a substitute Letter of Credit) at

least thirty (30) Business Days prior to the expiration of the outstanding Letter of Credit; or (iii) if the Qualified Institution issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw as determined by the Qualified Institution issuing the Letter of Credit on an outstanding Letter of Credit, the Pledgor shall provide for the benefit of the Secured Party: (x) a substitute Letter of Credit that is issued by a Qualified Institution other than the Qualified Institution which has indicated its intention not to renew, or has failed to honor such requests to draw on, such outstanding Letter of Credit; or (y) post Eligible Collateral, in each case within two (2) Business Days after the Pledgor receives notice from either the Qualified Institution issuing the Letter of Credit or the Secured Party of such refusal, provided that, as a result of the Pledgor's failure to perform in accordance with (i), (ii), or (iii) above, the Delivery Amount applicable to the Pledgor equals or exceeds the Pledgor's Minimum Transfer Amount.

(2) As one method of providing Eligible Credit Support, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(3) (i) A Letter of Credit shall provide that the Secured Party may draw upon the Letter of Credit in an amount that is equal to all amounts that are due and owing from the Pledgor but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both), provided, however, that payment under the Letter of Credit will not exceed the face amount for which the Letter of Credit has been issued. A Letter of Credit shall provide that a drawing be made on the Letter of Credit upon submission to the Qualified Institution issuing the Letter of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit.

(ii) If the Pledgor shall fail to renew, substitute, or sufficiently increase the amount of an outstanding Letter of Credit (as the case may be), or establish one or more additional Letters of Credit, or otherwise provide sufficient Eligible Credit Support within three (3) Business Days after its receipt of notice of such failure, and if the Delivery Amount applicable to the Pledgor equals or exceeds the Pledgor's Minimum Transfer Amount as a result of such failure, then the Secured Party may draw on the entire undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit or one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. The Pledgor shall remain liable for any amounts due and owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

(4) If the Credit Support Provider of a party hereto shall furnish a Letter of Credit hereunder, the amount otherwise required under such Letter of Credit may at the option of such Credit Support Provider be reduced by the amount of any Letter of Credit established by such party (but only for such time as such party's Letter of Credit shall be in effect). In the event a party hereto shall be required to furnish a Letter of Credit hereunder the amount otherwise required under such Letter of Credit may at the option of such party be reduced by the amount of any Letter of Credit established by such party's Credit Support Provider (but only for such time as such Credit Support Provider's Letter of Credit shall be in effect).

(5) Upon the occurrence of a Letter of Credit Default, the Pledgor agrees to deliver a substitute Letter of Credit or other Eligible Credit Support to the Secured Party in an amount at least equal to that of the Letter of Credit to be replaced on or before the second (2nd) Business Day after written demand by the Secured Party (or the fifth (5th) Business Day if only clause (i) under the definition of the Letter of Credit Default applies).

(6) Notwithstanding Paragraph 10 of this Agreement, in all cases, the reasonable costs and expenses (including but not limited to the reasonable costs and expenses to the Secured Party) of establishing, renewing, substituting, canceling, increasing, and reducing the amount of (as the case may be) one or more Letters of Credit shall be borne by the Pledgor.

(iv) *Certain Rights and Remedies.*

(1) Secured Party's Rights and Remedies. For purposes of Paragraph 8(a)(ii) of this Agreement, the Secured Party may draw on any outstanding Letter of Credit in an amount equal to any amounts payable by the Pledgor with respect to any Obligations.

(2) Pledgor's Rights and Remedies. For purposes of Paragraph 8(b)(ii) of this Agreement, (i) the Secured Party will be obligated immediately to Transfer any Letter of Credit to the Pledgor and (ii) the Pledgor may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to the Pledgor as required pursuant to (i) above, Set-off any amounts payable by the Pledgor with respect to any Obligations against any such Letter of Credit held by the Secured Party and, to the extent its rights to Set-off are not exercised, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral and the Value of any Letter of Credit held by the Secured Party, until any such Posted Collateral and such Letter of Credit is Transferred to the Pledgor; and (y) exercise rights and remedies available to the Pledgor under the terms of the Letter of Credit.

(v) Failure to Transfer Other Eligible Support or Other Posted Support. Paragraph 7(i) of this Agreement is hereby modified to apply to failures to Transfer Letters of Credit, as well as the items listed therein.

(k) Demands and Notices. All demands, specifications, and notices under this Annex will be made pursuant to the Notices Section of this Agreement.

(l) Addresses for Transfers. All transfers under this Annex will be made pursuant to the Account Section of this Agreement.

(m) Other Provisions. None.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH METALS DIVISION,
a division of Koch Carbon, Inc.
a Kansas corporation

METALCHEM INC.

By: 

Name: Jeff Gentry *JG*

Title: President, Koch Carbon, Inc.

Date: July 6, 1999

By: 

Name: JAMES B. WALBURG

Title: Sr. V.P. + Treasurer

Date: 6/16, 1999

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KOCH METALS TRADING LIMITED



Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange

CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Swap Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 06 February, 2009
Our Reference: 2181142, 2181143 Fixed, 2181136, 2181139 Float
Commodity: North American Special Aluminium Alloy
Notional Quantity: 120 metric tonnes
Calculation Periods: See Table A
Notional Quantity per Calculation Period: See Table A
Settlement Dates: See Table A

Fixed Amount Details:

Fixed Price Payer: KST
Fixed Price: USD 1,000.00 per metric tonne.

Floating Amount Details:

Floating Price Payer: Commonwealth Industries Inc
Commodity Reference Price: Nasaac-LME Cash
Floating Price: The arithmetic average of the Commodity Reference Price for each Calculation Period
Specified Price: The official LME price
Pricing Dates: Each Commodity Business Day during the relevant Calculation Period
Delivery Date: Settlement Date

Table A:

Calculation Period	Notional Quantity	Settlement Date
02-Feb-09 to 27-Feb-09	60 mt	03-Mar-2009
02-Mar-09 to 31-Mar-09	60 mt	02-Apr-2009

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

☐Metal Operations☐Koch Metals Trading Limited as agents for Koch Supply & Trading, LP☐Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ☐Fax: +44 20 7648 6343☐Email: metalops@kochind.com☐☐In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.☐☐This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
Fax: +44 (0) 20 7648 6343
Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181077
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 998.00 per metric tonne.
Notional Quantity:	1,280 metric tonnes
Settlement Date:	27 February 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

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We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181078
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 999.00 per metric tonne.
Notional Quantity:	240 metric tonnes
Settlement Date:	02 March 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

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Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181079
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,012.00 per metric tonne.
Notional Quantity:	260 metric tonnes
Settlement Date:	02 April 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

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We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181107
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,056.00 per metric tonne.
Notional Quantity:	160 metric tonnes
Settlement Date:	03 August 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

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We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181122
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,066.00 per metric tonne.
Notional Quantity:	160 metric tonnes
Settlement Date:	02 September 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

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We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

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Email: metalops@kochind.com

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CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181092
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,025.00 per metric tonne.
Notional Quantity:	240 metric tonnes
Settlement Date:	05 May 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

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□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

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CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181099
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,034.00 per metric tonne.
Notional Quantity:	180 metric tonnes
Settlement Date:	02 June 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

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Fax: +44 (0) 20 7648 6343
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CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181104
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,045.00 per metric tonne.
Notional Quantity:	180 metric tonnes
Settlement Date:	02 July 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

This is a system generated Confirmation



KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181131
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,077.00 per metric tonne.
Notional Quantity:	160 metric tonnes
Settlement Date:	02 October 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations
Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
Fax: +44 (0) 20 7648 6343
Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 6 February, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	06 February, 2009
Our Reference:	2181133
Commodity:	North American Special Aluminium Alloy
Buyer:	KST
Seller:	Commonwealth Industries Inc
Fixed Price:	USD 1,087.00 per metric tonne.
Notional Quantity:	180 metric tonnes
Settlement Date:	02 November 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

□Metal Operations□Koch Metals Trading Limited as agents for Koch Supply & Trading, LP□Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ□Fax: +44 20 7648 6343□Email: metalops@kochind.com□□In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.□□This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 28 January, 2009
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 28 January, 2009
Our Reference: 2169326, 2169327
Commodity: North American Special Aluminium Alloy

~~Part One:
Buyer: Commonwealth Industries Inc
Seller: KST
Fixed Price: USD 935.00 per metric tonne.
Notional Quantity: 1,280 metric tonnes
Settlement Date: 30 January 2009~~

Not on books
AIO Feb 12. Settled
on Jan 30.

Part Two:
Buyer: KST
Seller: Commonwealth Industries Inc
Fixed Price: USD 945.50 per metric tonne.
Notional Quantity: 1,280 metric tonnes
Settlement Date: 27 February 2009

Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

☐Metal Operations☐Koch Metals Trading Limited as agents for Koch Supply & Trading, LP☐Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ☐Fax: +44 20 7648 6343☐Email: metalops@kochind.com☐☐In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.☐☐This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED



Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange

CONFIRMATION

DATE: 17 November, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Swap Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 14 November, 2008
Our Reference: 2094459 to 2094461 Fixed, 2094456 to 2094458 Float
Commodity: North American Special Aluminium Alloy
Notional Quantity: 160 metric tonnes
Calculation Periods: See Table A
Notional Quantity per Calculation Period: See Table A
Settlement Dates: See Table A

Fixed Amount Details:

Fixed Price Payer: Commonwealth Industries Inc
Fixed Price: USD 1,412.00 per metric tonne.

Floating Amount Details:

Floating Price Payer: KST
Commodity Reference Price: Nasaac-LME Cash
Floating Price: The arithmetic average of the Commodity Reference Price for each Calculation Period
Specified Price: The official LME price
Pricing Dates: Each Commodity Business Day during the relevant Calculation Period
Delivery Date: Settlement Date

Table A:

Calculation Period	Notional Quantity	Settlement Date
02-Jan-09 to 30-Jan-09	40 mt	03-Feb-2009
02-Feb-09 to 27-Feb-09	60 mt	03-Mar-2009
02-Mar-09 to 31-Mar-09	60 mt	02-Apr-2009

Not on books
A/c Feb 12. Settled
on Feb 3.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

Metal Operations Koch Metals Trading Limited as agents for Koch Supply & Trading, LP Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ Fax: +44 20 7648 6343 Email: metalops@kochind.com In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520. This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations

Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437

Fax: +44 (0) 20 7648 6343

Email: metalops@kochind.com

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	29 October, 2008
Our Reference:	2073237
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 1,735.00 per metric tonne.
Notional Quantity:	240 metric tonnes
Settlement Date:	05 May 2009

Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

Metal Operations
Koch Metals Trading Limited as agents for Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.

This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations
Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
Fax: +44 (0) 20 7648 6343
Email: metalops@kochind.com

This is a system generated Confirmation



KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 29 October, 2008
Our Reference: 2073232
Commodity: North American Special Aluminium Alloy
Buyer: Commonwealth Industries Inc
Seller: KST
Fixed Price: USD 1,735.00 per metric tonne.
Notional Quantity: 180 metric tonnes
Settlement Date: 02 June 2009
Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

Metal Operations
Koch Metals Trading Limited as agents for Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.

This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations
Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
Fax: +44 (0) 20 7648 6343
Email: metalops@kochind.com

This is a system generated Confirmation



KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	29 October, 2008
Our Reference:	2073253
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 1,735.00 per metric tonne.
Notional Quantity:	160 metric tonnes
Settlement Date:	03 August 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

This Confirmation supplements, forms part of, and is subject to, the master agreement dated 27 November, 2000 (the "Master Agreement"), as amended and supplemented from time to time, between KST and Commonwealth Industries Inc. All provisions contained in the Master Agreement govern this Confirmation except as expressly provided herein.

4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

Metal Operations
Koch Metals Trading Limited as agents for Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.

This notice information supersedes any other contact details previously supplied to you.

5. Confirmation Binding

We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

We are pleased to have concluded this business with you and we look forward to more business with you in the future.

Best Regards,

Metal Operations
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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
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Email: metalops@kochind.com

This is a system generated Confirmation



KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 29 October, 2008
Our Reference: 2073246
Commodity: North American Special Aluminium Alloy
Buyer: Commonwealth Industries Inc
Seller: KST
Fixed Price: USD 1,735.00 per metric tonne.
Notional Quantity: 160 metric tonnes
Settlement Date: 02 September 2009
Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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Email: metalops@kochind.com

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Best Regards,

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

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Email: metalops@kochind.com

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CONFIRMATION

DATE: 29 October, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 29 October, 2008
Our Reference: 2073243
Commodity: North American Special Aluminium Alloy
Buyer: Commonwealth Industries Inc
Seller: KST
Fixed Price: USD 1,735.00 per metric tonne.
Notional Quantity: 260 metric tonnes
Settlement Date: 02 April 2009
Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

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4. Contacts

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Metal Operations

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

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This notice information supersedes any other contact details previously supplied to you.

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Best Regards,

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KOCH METALS TRADING LIMITED

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CONFIRMATION

DATE: 29 October, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date: 29 October, 2008
Our Reference: 2073259
Commodity: North American Special Aluminium Alloy
Buyer: Commonwealth Industries Inc
Seller: KST
Fixed Price: USD 1,735.00 per metric tonne.
Notional Quantity: 180 metric tonnes
Settlement Date: 02 July 2009
Settlement: For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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4. Contacts

Any contrary language in Section 12(a) notwithstanding, all notices and communications must be sent to KST by facsimile transmission or email at the following address:

Metal Operations

Koch Metals Trading Limited as agents for Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

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Best Regards,

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

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KOCH METALS TRADING LIMITED

Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	29 October, 2008
Our Reference:	2073238
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 1,735.00 per metric tonne.
Notional Quantity:	160 metric tonnes
Settlement Date:	02 October 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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4. Contacts

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Metal Operations
Koch Metals Trading Limited as agents for Koch Supply & Trading, LP
Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ
Fax: +44 20 7648 6343
Email: metalops@kochind.com

In addition, a copy of any notice or communication under Sections 5 or 6 must be sent by fax and overnight delivery to KST at the following address in order to be deemed effective: Koch Metals Trading Limited as agents for Koch Supply & Trading, LP, Attention: Legal Department, Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ, Facsimile No.: +44 20 7648 8520.

This notice information supersedes any other contact details previously supplied to you.

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We request your immediate acknowledgment that this Confirmation accurately sets forth the terms and conditions of the Transaction. This Confirmation will be deemed final and binding except to the extent you give us fax notice of any requested corrections or changes within five (5) Business Days of your receipt hereof.

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Best Regards,

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Fountain House, 6th Floor, 130 Fenchurch Street, London, EC3M 5DJ

Tel: +44 (0) 20 7648 6437
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Authorised and Regulated by the Financial Services Authority and Member of the London Metal Exchange



CONFIRMATION

DATE: 29 October, 2008

TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP

RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	29 October, 2008
Our Reference:	2073227
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 1,735.00 per metric tonne.
Notional Quantity:	180 metric tonnes
Settlement Date:	02 November 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

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4. Contacts

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CONFIRMATION

DATE: 30 October, 2008
TO: Commonwealth Industries Inc
Nadia Duran
1372 State Road 1957
P.O. Box 480
Lewisport, KY, 42351-0480, USA
Tel: 001 502 589 8106/8146
Fax: 001 502 589 8116
Email: risk-statements@aleris.com

FROM: Koch Metals Trading Limited as agents for and on behalf of Koch Supply & Trading, LP
RE: Commodity Future Confirmation

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Koch Supply & Trading, LP ("KST") and Commonwealth Industries Inc on the Trade Date specified below.

The definitions and provisions contained in the 2005 ISDA Commodity Definitions (the "Commodity Definitions") (as published by the International Swaps and Derivatives Association, Inc.), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. Trade Details

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	29 October, 2008
Our Reference:	2073397
Commodity:	North American Special Aluminium Alloy
Buyer:	Commonwealth Industries Inc
Seller:	KST
Fixed Price:	USD 1,735.00 per metric tonne.
Notional Quantity:	240 metric tonnes
Settlement Date:	02 March 2009
Settlement:	For each Settlement Date the delivery of the Notional Quantity (+/- 2%) of LME warrants in the Commodity against payment of an amount equal to the Notional Quantity multiplied by the Fixed Price. The difference between the Notional Quantity and the quantity actually delivered will be simultaneously settled using the Official LME Cash Settlement Price for the Commodity for the Settlement Date.

2. Payment Details

Each party warrants and represents that any payment instructions given and any payments made by such party pursuant to this agreement will be duly authorized by such party in good faith and with the intent to comply with all applicable anti-corruption and anti-money laundering laws, rules and regulations (including without limitation any relevant tax and currency regulations). Each party further warrants and represents that it has all necessary authorities, licenses and approvals to make such payments and/or give such payment instructions.

3. Master Agreement

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Exhibit B
The Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
ALERIS INTERNATIONAL, INC., <i>et al.</i> ,	:	Case No. 09-10478 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
-----X	:	Re: Docket No. ____

**ORDER PURSUANT TO SECTION 365(a)
OF THE BANKRUPTCY CODE AND BANKRUPTCY
RULE 6006 APPROVING THE REJECTION BY
ALERIS INTERNATIONAL, INC. AND COMMONWEALTH
INDUSTRIES, INC. OF ISDA MASTER AGREEMENTS, SCHEDULES,
AND CONFIRMATIONS WITH KOCH SUPPLY & TRADING, LP**

Upon the motion, dated October 29, 2009 (the “*Motion*”),¹ of Aleris International, Inc. (“*Aleris*”) and Commonwealth Industries, Inc. (“*Commonwealth*,” together with Aleris, the “*Moving Debtors*”) pursuant to section 365(a) of the Bankruptcy Code for approval of the Moving Debtors’ rejection of (i) that certain ISDA Master Agreement between Koch Supply & Trading, LP (“*KS&T*”) (as assignee of the rights of Koch Metals Division (a division of Koch Carbon, Inc.)) and Aleris (as successor in interest to IMCO Recycling, Inc.), dated as of May 10, 1999 (the “*Aleris ISDA Agreement*”) and all Schedules and Confirmations relating to Transactions governed by the Aleris ISDA Agreement (the “*Aleris Ancillary Documents*”) and (ii) that certain ISDA Master Agreement between KS&T and Commonwealth, dated as of November 27,

¹ Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

2000 (the “*Commonwealth ISDA Agreement*”) and all Schedules and Confirmations relating to Transactions governed by the Commonwealth ISDA Agreement (the “*Commonwealth Ancillary Documents*”)², as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the District of Delaware, (ii) counsel to the official committee of unsecured creditors, (iii) counsel to Deutsche Bank AG New York Branch, as administrative agent under the Debtors’ prepetition and postpetition revolving and term credit facilities, (iv) all parties requesting notice under Bankruptcy Rule 2002, (v) counsel to the Wilmington Trust Company, as trustee under the senior subordinated indenture, the senior indenture and the new senior indenture, and (vi) KS&T; and the relief requested in the Motion being in the best interests of the Moving Debtors and their estates; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having found that rejection of the ISDA Master Agreements and Ancillary ISDA Documents represents a sound exercise of the Moving Debtors’ respective business judgment; and after due deliberation and sufficient cause appearing therefor, it is

² The Aleris ISDA Agreement and the Commonwealth ISDA Agreement are collectively referred to herein as the “*ISDA Master Agreements*,” and the Aleris Ancillary Documents and the Commonwealth Ancillary Documents are collectively referred to herein as the “*Ancillary ISDA Documents*”.

ORDERED that, pursuant to section 365(a) of the Bankruptcy Code, the rejection of the ISDA Master Agreements and Ancillary ISDA Documents by the Moving Debtors is hereby approved; and it is further

ORDERED that the ISDA Master Agreements and Ancillary ISDA Documents shall be deemed rejected, without further action on the part of the Moving Debtors; and it is further

ORDERED that, other than any claim relating to the Ancillary ISDA Documents with respect to Settlement Dates that occurred before the Commencement Date, which claims were required to be filed by September 15, 2009, KS&T must file any claim for damages arising as a result of this rejection of the ISDA Master Agreements and Ancillary ISDA Documents, which may include damages arising under any of the Transactions that had a Settlement Date postpetition, were terminated postpetition, or remain executory as of the date hereof, by 5:00 p.m. (Eastern Time) on the date that is thirty (30) days following the effective date of this rejection; and it is further

ORDERED that, pursuant to the Bar Date Order, any claim for damages arising as a result of the rejection of the ISDA Master Agreements and Ancillary ISDA Documents must be actually received by 5:00 p.m. (Eastern Time) on the date that is thirty (30) days following the effective date of this rejection by Kurtzman and Carson Consultants LLC, the official claims agent in the Moving Debtors' chapter 11 cases, at the following address:

Aleris Claims Processing
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245.

and it is further

ORDERED that nothing herein shall constitute a waiver by the Moving Debtors or KS&T of any potential claims or defenses they may have related to the ISDA Master Agreements and Ancillary ISDA Documents; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2009
Wilmington, Delaware

THE HONORABLE BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE