

**CHARTER OF THE
COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
ALERIS INTERNATIONAL, INC.**

Organization and Purposes

The Compensation Committee (the “Committee”) is created by resolution of the Board of Directors (the “Board”) pursuant to the Bylaws of Aleris International, Inc. (the “Company.”) This Charter shall govern the operations of the Committee and will assist and direct the Committee in performing its primary responsibilities.

The purpose of the Compensation Committee is to discharge the responsibilities of the Board of Directors relating to compensation of the Company’s executive and senior management. In this respect, the Committee has overall responsibility for approving and evaluating executive and senior management compensation plans, policies and programs of the Company and awards thereunder.

The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement for its annual meeting of shareholders.

Composition

The Committee shall consist of no fewer than three (3) members. The members of the Compensation Committee shall meet the independence requirements of the New York Stock Exchange (“NYSE”). Additionally, it is intended that Committee membership will meet applicable requirements under (i) Rule 16b-3 under the Securities Exchange Act of 1934, and (ii) Section 162(m) of the Internal Revenue Code and the Treasury regulations promulgated thereunder.

The members of the Compensation Committee will be recommended for appointment by the Nominating and Corporate Governance Committee and appointed by the Board. The Board shall designate the members of the Committee at its first meeting following each annual meeting of the Company’s stockholders. Each member of the Committee shall serve until the member’s successor is designated by the Board or until the member’s earlier resignation. All vacancies will be filled by the Board. The Chair of the Committee shall be designated by the Board.

Meetings

The Committee shall meet at least twice annually, and more frequently as circumstances dictate to accomplish the purposes and goals set forth in this charter. Committee meetings and communications shall be either in person or by conference telephone call. Minutes shall be prepared for each meeting of the Committee and submitted to the Committee for approval. The minutes of all meetings of the Committee shall be given to the secretary of the Company for filing in the corporate records.

The Committee Chairman, the Chairman of the Board or any member of the Committee may call special meetings of the Committee. Two members of the Committee will constitute a

quorum for the transaction of business. As deemed necessary by the Committee, meetings will be attended by independent consultants retained by the Committee to facilitate review of senior management and employee compensation and benefit programs.

Duties and Responsibilities of the Committee

The Committee shall establish and monitor basic policies governing the compensation of the Company's, executive and senior management.

- Establish and articulate the general compensation philosophy and policy for the Company to ensure consistency with the strategic plan and shareholder considerations.
- On at least an annual basis, the Committee will review and make recommendations to the Board of Directors with respect to the compensation of all officers and other key executives, including incentive compensation plans, executive benefit plans, and equity-based plans.
- The Committee will review at least annually, and recommend for Board approval (or approve, where applicable) any substantive changes to, the Company's director and executive officer incentive, compensation and benefit plans.
- Other specific duties and responsibilities of the Committee include the following:
 - On at least an annual basis, to review and approve corporate goals and objectives relevant to the chief executive officer's compensation, evaluate the chief executive officer's performance in light of those goals and objectives, and recommend to the Board of Directors the chief executive officer's compensation level based on the Committee's evaluation.
 - On at least an annual basis, to review and approve the corporate goals and objectives relevant to the compensation of the other executives, evaluate those executives' performance in light of those goals and objectives, and recommend to the Board of Directors the compensation levels for such senior executives based on the Committee's evaluation. In performing the evaluation of the senior executives' compensation, members of the Committee may take into account (but not be bound by) recommendations made by the chief executive officer.
 - To administer the stock-based compensation, incentive and benefit plans of the Company which have been, or may be in the future, adopted by the Company, which plans are required (by their terms or by law, rule or regulation) to be administered by the Committee or a committee of independent directors.
 - To establish, review and monitor succession plans for the chief executive officer and the other key executives.
 - To retain, consult with and terminate, on behalf of the Company, any compensation consultant to be used to assist the Committee in the evaluation of director, chief executive officer or other executive officer compensation, and to approve the fees and other retention terms for any such consultant. In this regard, the Committee has the sole authority on behalf of the Company to retain, terminate, and determine the terms of

engagement of any such compensation consultant. In addition, the Committee shall also have the authority to retain at Company expense (if applicable), and to obtain advice and assistance from, internal or external legal, accounting or other advisors in connection with the performance of its duties and responsibilities.

- So long as in compliance with applicable law and NYSE requirements, to establish and delegate authority to any subcommittee composed solely of Committee members.
- To make regular reports to the Board of Directors.
- Annually, to review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors for approval.
- Annually, to review and evaluate the Committee's own performance and to require its members to certify that they are independent.

As noted above, it is the intention of the Company that the Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Duties and Responsibilities of the Committee Chair

It is the responsibility of the Chairman of the Committee to:

- Convene and conduct regular and special meetings of the Committee.
- Prepare the Committee meeting agenda and annual calendar.
- Schedule sufficient time for Committee deliberations.
- Preside at all meeting of the Committee.
- Present to the Board the findings and recommendations of the Committee.
- Ensure that Committee members receive adequate continuing education on compensation matters.
- Advise and provide counsel to other Board members with regard to compensation and benefit matters.
- Ensure that all major compensation and benefit activities and plans are consistent with statutory regulations.
- Present any proposed changes to major compensation and benefit plans and policies of the Company for Board action.
- Retain and work with outside consultants and experts as required.