



COMMONWEALTH INDUSTRIES, INC.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

A. **Purpose of the Committee.** The purpose of the Management Development and Compensation Committee (“Committee”) is to oversee management development and succession plans, discharge the Board’s responsibilities relating to compensation of the Company’s executives and administer the Company’s stock incentive plans.

B. **Composition and Operations.** The Committee shall be comprised of three or more directors who are, in the business judgment of the Board, “independent” under the rules of the Nasdaq Stock Market, who are “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and who are “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986.

The Chairman and other members of the Committee shall be appointed by the Board. Members shall serve at the pleasure of the Board for such term or terms as the Board may determine.

The Committee shall meet in person or telephonically at least once a year at a time and place determined by the Committee Chairman, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairman.

The Committee may invite members of management to its meetings as it may deem appropriate, consistent with maintaining the confidentiality of compensation discussions. The chief executive officer (“CEO”) should not attend meetings where his or her performance or compensation are discussed unless specifically invited by the Committee or its Chairman.

The Committee shall report to the Board on a regular basis and not less than once a year.

The Committee shall review and assess the adequacy of this Charter annually and shall recommend any proposed changes to the Board for approval.

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, comparing the performance of the Committee with the requirements of this Charter and setting forth the goals and objectives of the Committee for the coming year. The evaluation shall be conducted in such manner as the Committee deems appropriate and the report to the Board may be an oral report by the Chairman of the Committee or his or her designee.

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain and approve the fees and terms of retention of special counsel or other experts or consultants as it deems appropriate. With respect to compensation consultants retained to assist in the valuation of executive compensation, this authority shall be vested solely in the Committee.

C. **Duties and Responsibilities** The Committee shall:

(1) At least annually, review and concur in management development and succession plans developed by management.

(2) In consultation with management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs.

(3) Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and set the CEO compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.

(4) Review and approve compensation programs applicable to the executive officers of the Company and determine or approve their compensation.

(5) Administer the Company's stock incentive plans.

(6) Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans and discharge any responsibilities imposed on the Committee by any of these plans.

(7) In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

(8) Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the company.

(9) Prepare an annual report of the Committee on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable Securities and Exchange Commission rules and regulations.

Adopted: October 29, 2002