

KAISER ALUMINUM CORP

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): March 5, 2017

KAISER ALUMINUM CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-52105
(Commission
File Number)

94-3030279
(I.R.S. Employer
Identification No.)

27422 Portola Parkway, Suite 200
Foothill Ranch, California
(Address of Principal Executive Offices)

92610-2831
(Zip Code)

(949) 614-1740
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements with Certain Officers.

2017 Base Salary

On March 5, 2017, the compensation committee (the “Compensation Committee”) of the board of directors of Kaiser Aluminum Corporation (the “Company”) approved the annual base compensation of the Company’s executive officers, effective April 1, 2017, including the annual base compensation of the executive officers of the Company identified below (the “Named Executive Officers”) for 2017.

Name and Position	Base Salary
Jack A. Hockema Chief Executive Officer and Chairman of the Board	\$915,000
Keith A. Harvey President and Chief Operating Officer	\$535,000
Daniel J. Rinkenberger Executive Vice President and Chief Financial Officer	\$455,000
John M. Donnan Executive Vice President - Legal, Compliance and Human Resources	\$426,000
John Barneson Senior Vice President - Corporate Development	\$375,000

2017 Incentive Compensation

On March 5, 2017, the Compensation Committee also approved a short-term incentive plan for 2017 (the “2017 STI Plan”) and a long-term incentive program for the 2017 through 2019 performance period (the “2017 - 2019 LTI Plan”). The structure, terms and objectives of the 2017 STI Plan and 2017 - 2019 LTI Plan are described in more detail below and generally consistent with the structure, terms and objectives of the 2016 short-term incentive plan and the 2016-2018 long-term incentive program with the exception of the addition of a third performance metric applicable to the performance shares granted under the 2017 - 2019 LTI Plan.

2017 STI Plan

The 2017 STI Plan is designed to reward participants for achieving certain adjusted earnings before interest, taxes, depreciation and amortization performance goals determined based on the return on the Company's adjusted net assets. Similar to the short-term incentive plan approved by the Compensation Committee in 2016, the 2017 STI Plan includes modifiers for safety, quality, delivery and cost performance, and permits, subject to the maximum payout opportunity described below, adjustments to individual awards based on actual performance, including individual, facility, and/or functional area performance.

The 2017 STI Plan provides for (1) a threshold performance level below which no payout is made, a target performance level at which the target award is available and a performance level at or above which the maximum payout is available, and (2) minimum and maximum payout opportunities ranging from zero up to three times the target payout amount. The table below sets forth the estimated future payouts that can be earned by each of the Named Executive Officers under the 2017 STI Plan below the threshold performance level and at the threshold, target and maximum performance levels.

Name	Below Threshold	Threshold	Target	Maximum
Jack A. Hockema	\$0	\$ 315,000	\$ 630,000	\$ 1,890,000
Keith A. Harvey	\$0	\$ 217,500	\$ 435,000	\$ 1,305,000
Daniel J. Rinkenberger	\$0	\$ 150,000	\$ 300,000	\$ 900,000
John M. Donnan	\$0	\$ 142,500	\$ 285,000	\$ 855,000
John Barneson	\$0	\$ 85,000	\$ 170,000	\$ 510,000

The preceding description of the 2017 STI Plan is qualified in its entirety by the Kaiser Aluminum Fabricated Products 2017 Short-Term Incentive Plan for Key Managers Summary, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

2017 - 2019 LTI Plan

The 2017 - 2019 LTI Plan is designed to reward participants with (i) a fixed number of time-vested restricted stock units and (ii) a fixed number of performance shares that vest, if at all, based on the Company's achievement of the performance objectives described below. The performance objective for 40% of the performance shares is based on the Company's total shareholder return ("TSR") performance relative to its peer companies (the "Peer Group") in the S&P 600 Small Cap Materials index, for 40% of the performance shares is based Company's total controllable cost performance ("Controllable Cost"), and for 20% of the performance shares is based on the Company's economic value added ("EVA") performance, determined based on the Company's adjusted pre-tax operating income in excess of a capital charge, each over the 2017 through 2019 performance period.

The restricted stock units issued to members of senior management, including the Named Executive Officers, subject to certain limited exceptions, vest on March 5, 2020, and entitle the participant to receive one share of the Company's common stock for each vesting restricted stock unit. The 2017 - 2019 LTI Plan provides for minimum and maximum vesting opportunities ranging from zero up to two times the pro rata portion of the target number of performance shares depending upon the Company's performance. Each performance share that becomes earned and vested entitles the participant to receive one share of the Company's common stock.

On March 5, 2017, the Compensation Committee approved the following grants of restricted stock units and performance shares, effective as of March 5, 2017, to the Named Executive Officers pursuant to the terms of the 2017 - 2019 LTI Plan:

Name	Number of Restricted Stock Units (1)	Total Number of Performance Shares (2)
Jack A. Hockema	10,509	44,625
Keith A. Harvey	4,955	24,032
Daniel J. Rinkenberger	4,596	10,977
John M. Donnan	3,985	9,520
John Barneson	3,277	7,827

- (1) *The restrictions on 100% of the restricted stock units granted will lapse on March 5, 2020 or earlier if the Named Executive Officer's employment terminates as a result of death or disability or in the event of a change in control of the Company. If the Named Executive Officer's employment is terminated by the Named Executive Officer on or after retirement at age 65 or older, the restricted stock units granted will remain outstanding and the restrictions on a pro-rated portion of such units, determined based on the number of days the Named Executive Officer was employed by the Company during the restriction period, will lapse on March 5, 2020.*

- (2) *The tables below set forth the aggregate number of performance shares that will become vested for each of the Named Executive Officers under the 2017 - 2019 LTI Plan below the threshold performance levels and at the threshold, target and maximum performance levels based on the Company's performance objectives described above:*

Name	Below Threshold	Threshold	Target	Maximum
Jack A. Hockema	0	11,156	22,312	44,625
Keith A. Harvey	0	6,008	12,016	24,032
Daniel J. Rinkenberger	0	2,744	5,488	10,977
John M. Donnan	0	2,380	4,760	9,520
John Barneson	0	1,956	3,913	7,827

The number of performance shares, if any, that are earned will be determined based on the Company performance and will vest on the later to occur of March 5, 2020 and the date on which the Compensation Committee approves the multipliers for the performance shares based on the Company's achievement of each of the performance objectives described above. Notwithstanding the foregoing, the respective target number of performance shares will be earned and immediately vest if prior to December 31, 2019 the Named Executive Officer's employment terminates as a result of death or disability, and if there is a change in control of the Company before December 31, 2019, the number of performance shares, if any, that are earned will be determined based on the Company's achievements during the performance period through the date of such change in control and will immediately vest on such date. However, if the Named Executive Officer's employment is terminated by the Company without cause or is voluntarily terminated by the Named Executive Officer for good reason, the number of performance shares, if any, that are earned will be determined based on the actual performance achieved during the performance period and will vest as described above. If the Named Executive Officer's employment is terminated by the Named Executive Officer on or after normal retirement at age 65 or older, the number of performance shares, if any, that are earned will be determined based on the actual performance achieved during the performance period and pro-rated for the number of days the Named Executive Officer was employed by the Company during the performance period.

The grants of restricted stock units and performance shares were made pursuant to the Company's 2016 Equity and Incentive Compensation Plan (the "Equity Plan"). A copy of the Equity Plan is filed as Exhibit 10.1 to the Current Report on Form 8-K, filed by the Company on May 26, 2016. The form of Restricted Stock Unit Award Agreement used to evidence the grants of restricted stock units made to the Company's executive officers under the 2017 - 2019 LTI Plan is attached hereto as Exhibit 10.2 and incorporated herein by reference. The form of Performance Shares Award Agreement used to evidence the grants of performance shares made to the Company's executive officers under the 2017 - 2019 LTI Plan is filed as Exhibits 10.3 hereto and incorporated herein by reference. A summary of the performance objectives for determining the number of performance shares earned under the 2017 - 2019 LTI Plan is attached hereto as Exhibit 10.4 and incorporated herein by reference.

Amendment to 2016 Restricted Stock Unit Award Agreement

Effective as of March 8, 2017, the agreements evidencing restricted stock units granted to Messrs. Hockema and Barneson pursuant to the long-term incentive program for the 2016 through 2018 performance period were amended. After giving effect to the amendment, (1) the restrictions on 100% of such restricted stock units will lapse on March 5, 2019 or earlier if such Named Executive Officer's employment terminates as a result of death or disability, the Named Executive Officer's employment is terminated by the Company without cause, the Named Executive Officer's employment is voluntarily terminated by him for good reason or in the event of a change in control of the Company and (2) the restrictions on a pro rata portion of such restricted stock units, determined based on the number of days the Named Executive Officer was employed by the Company during the restriction period, will lapse earlier if such Named Executive Officer retires during the restriction period, with the balance of such restricted stock units being forfeited upon such retirement. The form of amendment is attached hereto as Exhibit 10.5 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
10.1	Kaiser Aluminum Fabricated Products 2017 Short-Term Incentive Plan For Key Managers Summary.
10.2	2017 Form of Executive Officer Restricted Stock Unit Award Agreement.
10.3	2017 Form of Executive Officer Performance Shares Award Agreement.
10.4	Kaiser Aluminum Corporation 2017 - 2019 Long-Term Incentive Plan Management Objectives and Formula for Determining Performance Shares Earned Summary.
10.5	Form of Amendment to 2016 Restricted Stock Unit Award Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KAISER ALUMINUM CORPORATION
(Registrant)

By: /s/ Cherrie I. Tsai
Cherrie I. Tsai
Vice President, Deputy General Counsel, and Corporate Secretary

Date: March 9, 2017

Kaiser Aluminum
2017 Short-Term Incentive Plan for Key Managers

This is a summary of the Kaiser Aluminum short-term incentive program (“STIP”) effective January 1, 2017. The STIP performance period is the 2017 calendar year. The 2017 STIP rewards participants for performance based on return on net assets targets derived from the adjusted pre-tax operating income of our core fabricated products business calculated as a percentage of net assets (excluding cash equivalents) and expressed in adjusted earnings before interest, taxes, depreciation and amortization as reported to investors (“Adjusted EBITDA”) with modifiers for safety, quality, delivery and manufacturing cost efficiency, with the possibility of adjustments to individual awards based on actual performance, including individual, facility, and/or functional.

Purpose of the 2017 Kaiser Aluminum STIP

1. Focus attention on value creation within Fabricated Products, our core business segment, and Corporate.
2. Reward the achievement of aggressive performance goals.
3. Provide incentive opportunities that are consistent with competitive market.
4. Link incentive pay to performance as well as our success and ability to pay.

STIP Philosophy

Compensation should (i) reward management for value creation, the safe and efficient operation of our business and customer satisfaction, (ii) stand the test of time to provide continuity in compensation philosophy, (iii) recognize the cyclical nature of our business, and (iv) provide a retention incentive. In order to achieve success, participants must continue to seek out and find ways to create value, operate safely and efficiently and provide customer satisfaction.

Primary Performance Measures

The performance goals will be based on Adjusted EBITDA, as reflected in the Company’s Reconciliations of Non-GAAP Measures - Consolidated, as reported in the Company’s earnings materials.

- Safety performance will be measured by Total Case Incident Rate (TCIR).
- Quality performance will be measured by the no fault claim rate.
- Delivery performance will be measured by the on-time delivery rate.
- Manufacturing cost efficiency will be measured by the Company’s manufacturing cost (excluding benefit costs) compared to plan.

Target Incentive

- A monetary target incentive amount for each participant is established for the STIP based on the competitive market, internal compensation balance and position responsibilities.
- Participants' monetary incentive targets are set at the beginning of the STIP performance period.
- The participant's monetary incentive target amount represents the incentive opportunity based on the Adjusted EBITDA, safety, quality, delivery and cost performance results.

How The Award Multiplier Is Determined

- At the end of the year Adjusted EBITDA will be determined and used to calculate the Award Multiplier.
- The Award Multiplier is adjusted within a range as follows:
 - Up to ±10% based upon TCIR
 - Up to ±10% based upon no fault claim rate
 - Up to ±10% based upon on-time delivery rate
 - Up to ±20% based on manufacturing cost efficiency, excluding benefits costs
- Individual participant awards are modified to reflect any adjustments permitted by the STIP and subject to a maximum final Award Multiplier of 3.0 times target.

STIP Award

Each participant's base award is determined as the vested monetary incentive target times the Award Multiplier modified to reflect any adjustments permitted by the STIP.

- Individual payouts may be adjusted up or down 100% based on actual performance, including individual, facility, and/or functional area.
- Adjustments to awards for senior executives and managers, including our CEO and named executive officers, require approval by the Compensation Committee. All other adjustments require the approval of our CEO.

Form and Timing of Payment

- STIP awards are paid, at the Company's election, in cash, non-restricted shares of the Company's common stock or a combination of cash and non-restricted shares no later than March 15 following the end of the year.
- Except as set forth in this STIP, Awards are conditioned on employment on date of payment.

Detrimental Activity

- If a participant, either during employment by the Company or any affiliate or within one year after termination of such employment (or, if termination of such employment results from retirement at or after age 65, within the period ending one year after the date the Company paid the STIP award to the participant), shall engage in any Detrimental Activity (as defined below), and the Compensation Committee shall so find, forthwith upon notice of such finding, the participant shall forfeit to the Company any payment received under this STIP.
- To the extent that such amounts are not paid to the Company, the Company may, to the extent permitted by law, set off the amounts so payable to it against any amounts that may be owing from time to time by the Company or any affiliate to the participant, whether as wages or vacation pay or in the form of any other benefit or for any other reason; provided, however, that, except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code.
- "Detrimental Activity" means any conduct or act determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of the Company or any affiliate, including, without limitation, any one or more of the following types of activity:
 - Conduct resulting in an accounting restatement due to material noncompliance with any financial reporting requirement under the U.S. federal securities laws.
 - Engaging in any activity, as an employee, principal, agent, or consultant for another entity that competes with the Company in any actual, researched, or prospective product, service, system, or business activity for which the Participant has had any direct responsibility during the last two years of the participant's employment with the Company or an affiliate, in any territory in which the Company or an affiliate manufactures, sells, markets, services, or installs such product, service, or system, or engages in such business activity.

- Soliciting any employee of the Company or an affiliate to terminate the employee's employment with the Company or an affiliate.
- The disclosure to anyone outside the Company or an affiliate, or the use in other than the Company's or an affiliate's business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its subsidiaries acquired by the participant during the participant's employment with the Company or its subsidiaries or while acting as a consultant for the Company or its subsidiaries.
- The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the participant during employment by the Company or any affiliate, relating in any manner to the actual or anticipated business, research or development work of the Company or any affiliate or the failure or refusal to do anything reasonably necessary to enable the Company or any affiliate to secure a patent where appropriate in the U.S. and in other countries.
- Activity that results in termination for Cause (as defined below).
- "Cause" means (i) the participant's engaging in fraud, embezzlement, gross misconduct or any act of gross dishonesty with respect to the Company or its affiliates, (ii) the participant's habitual drug or alcohol use which impairs the ability of the participant to perform the participant's duties with the Company or its affiliates, (iii) the participant's indictment with respect to, conviction of, or plea of guilty or no contest to, any felony, or other comparable crime under applicable local law (except, in any event, for motor vehicle violations not involving personal injuries to third parties or driving while intoxicated), or the participant's incarceration with respect to any of the foregoing that, in each case, impairs the participant's ability to continue to perform the participant's duties with the Company and its affiliates, or (iv) the participant's material breach of any written employment agreement or other agreement between the Company and the participant, or of the Company's Code of Business Conduct, or failure by the participant to substantially perform the participant's duties for the Company which remains uncorrected or reoccurs after written notice has been delivered to the participant demanding substantial performance and the participant has had a reasonable opportunity to correct such breach or failure to perform.

Other Administrative Provisions

- The STIP will be reviewed annually.
- Annual incentive awards paid from the STIP count as additional compensation for purposes of the Company's Defined Contribution and Restoration Plans but not for other Company benefits.
- All applicable federal, state, local and FICA taxes will be withheld from all incentive award payments.
- Retirement or termination: If a participant dies, or retires at or after age 65, or becomes disabled, the participant's award shall be determined based on the Company's actual performance and prorated for the actual number of days of the participant's employment during 2017.

- Leave of absence participants earn a prorated award based on the number of months of active employment.
- Beneficiary designation: In the event of death the deceased participant's designated beneficiary will receive any payments due under the STIP. If there is no designated beneficiary on file with Human Resources, any amounts due will be paid to the surviving spouse or, if no surviving spouse, to the participant's estate.
- Non transferability: No amounts earned under the STIP may be sold, transferred, pledged or assigned, other than by will or the laws of descent and distribution until the termination of the applicable performance period. All rights to benefits under the STIP are exercisable only by the participant or, in the case of death, by the participant's beneficiary.
- The STIP may be modified, amended or terminated by the Compensation Committee at any time. If the plan is terminated, modified or amended, then future payments from the STIP are governed by such modifications or amendments. If terminated, then a prorated award will be determined based on number of months up to termination, and paid before March 15 following the end of the year.
- The annual incentive award earned by any covered employee under the STIP will be subject to any "umbrella plan" adopted by the Company in order to improve the tax efficiency of the annual incentive award earned by any covered employee under the STIP.
- The STIP constitutes no right to continued employment.
- The Chairman and CEO, with oversight from the Compensation Committee, has the discretionary authority to interpret the terms of the plan and those decisions shall be final, binding and conclusive on all persons affected.

Kaiser Aluminum Corporation

You have been selected to receive a grant of Restricted Stock Units pursuant to the Kaiser Aluminum Corporation 2016 Equity and Incentive Compensation Plan (the "Plan"), as specified below:

Participant:
Global ID:
Award Type: Restricted Stock Units - Tier I
Plan Name:

Award Date:
Expiration Date: N/A

Total Granted:
Award Price: \$0.0000 (USD)

Vesting Schedule

Restricted Stock Units Awarded	Vest Date

Attached to this electronic cover page is a copy of the Restricted Stock Unit Award Agreement, which, together with this electronic cover page and the Plan, sets forth the terms and conditions governing this grant of Restricted Stock Units.

Separately, you have been provided copies of the Plan, the Company's most recent Plan prospectus and the Company's most recent Annual Report on Form 10-K, containing the Company's most recent audited financial statements.

Please acknowledge your receipt and acceptance of this grant of Restricted Stock Units on the terms and conditions set forth in this electronic cover page, the attached Restricted Stock Unit Award Agreement and the Plan (including your obligations thereunder) by clicking on "I Accept" below. Please respond no later than _____.

Kaiser Aluminum Corporation

2016 Equity and Incentive Compensation Plan

Restricted Stock Unit Award Agreement

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this “Agreement”), effective as of the Date of Grant (referred to as “Award Date” on the electronic cover page), evidences the grant of Restricted Stock Units (“RSUs”) by Kaiser Aluminum Corporation, a Delaware corporation (the “Company”), to the Participant named on the electronic cover page to which this Agreement is attached (the “Participant”) pursuant to the provisions of the Kaiser Aluminum Corporation 2016 Equity and Incentive Compensation Plan (the “Plan”).

The Date of Grant of the RSUs granted hereunder, the number of RSUs granted hereunder and the date on which the RSUs granted hereunder vest are specified on the electronic cover page to which this Agreement is attached. Such electronic cover page is incorporated herein by reference.

This Agreement, the electronic cover page to which this Agreement is attached and the Plan collectively provide a complete description of the terms and conditions governing the RSUs granted hereunder. If there is any inconsistency between the terms of this Agreement or the electronic cover page to which it is attached, on the one hand, and the terms of the Plan, on the other hand, the Plan’s terms shall control. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein.

1. Employment with the Company . Except as may otherwise be provided in Sections 5 or 6 of this Agreement, RSUs granted hereunder are granted on the condition that the Participant remains an Employee of the Company (as defined in Section 12 of this Agreement) from the Date of Grant through (and including) the date(s) on which the RSUs vest (referred to as “Vest Date” on the electronic cover page) set forth under the “Vesting Schedule” on the electronic cover page to which this Agreement is attached (such applicable periods each being referred to herein as a “Restriction Period”).

This grant of RSUs shall not confer any right to the Participant (or any other Participant) to be granted RSUs or other awards in the future under the Plan.

2. Account for RSUs . The RSUs covered by this Agreement are granted to the Participant effective on the Date of Grant and are subject to, and granted upon, the terms, conditions and restrictions set forth in this Agreement, the electronic cover page to which it is attached and the Plan. The RSUs granted hereunder shall vest on the date(s) and in the number(s) set forth under the “Vesting Schedule” on the electronic cover page to which this Agreement is attached, subject to the terms and conditions of this Agreement. The RSUs granted hereunder shall be credited to a bookkeeping entry in the Participant’s name established and maintained by the Company until payment or forfeiture of such RSUs in accordance with this Agreement.

3. Issuance of the Common Shares .

- (a) Each RSU granted hereunder that vests shall entitle the Participant to receive one (1) Common Share, subject to adjustment in accordance with Section 11 of the Plan.
- (b) The Company shall issue or deliver Common Shares to the Participant (or, in the event the issuance or delivery of Common Shares occurs after the Participant's death, to the person or persons that have been named as the Participant's beneficiary as contemplated by Section 9 of this Agreement or to the person or persons that have acquired rights to such RSUs by will or the laws of descent and distribution) to settle vested RSUs granted hereunder: (i) except with respect to Sections 5 and 6 of this Agreement, on or as promptly as practicable following the applicable date set forth under the "Vesting Schedule" on the electronic cover page to which this Agreement is attached; (ii) in the event of the Participant's death (which event is contemplated by Section 5(a) of this Agreement) or the Participant's Disability (as defined in, and which event is contemplated by, Section 5(b) of this Agreement), on or as promptly as practicable following the date of such event; (iii) in the event of the Participant's "separation from service" from the Company within the meaning of Section 409A of the Code and Section 1.409A-1(h) of the Treasury Regulations (which is an event contemplated by either of Section 5(c) or 5(d) of this Agreement), on or as promptly as practicable following the applicable date set forth under the "Vesting Schedule" on the electronic cover page to which this Agreement is attached (provided, however, that, in the event of the Participant's death or Disability or a Change in Control following such "separation from service," the Common Shares shall be issued or delivered on or as promptly as practicable following the date of such death, Disability or Change in Control as provided under clause (ii) or (iv) of this Section 3(b)); or (iv) in the event of a Change in Control (which event is contemplated by Section 6 of this Agreement), on or as promptly as practicable following the date of the Change in Control (provided that, if the Change in Control does not constitute a "change of control event" (as described in Treasury Regulation Section 1.409A-3(i)(5)(i)) with respect to the Company, the Common Shares shall not be issued or delivered as a result of such event and shall instead be issued or delivered in accordance with this Section 3(b) of this Agreement upon the next event contemplated hereby).
- (c) Except to the extent determined by the Committee and permitted by the Plan and applicable law, the Company may not issue or deliver Common Shares to the Participant in respect of the RSUs granted hereunder at a time earlier than otherwise expressly provided in this Agreement.
- (d) The Company's obligations to the Participant with respect to this Agreement and the RSUs granted and vested hereunder shall be satisfied in full upon the issuance or delivery of Common Shares in respect of such RSUs.

4. No Rights as Stockholder; Dividend Equivalents .

- (a) The Participant shall have no rights of ownership in the RSUs granted hereunder and shall have no voting or other ownership rights in respect of the Common Shares underlying the RSUs granted hereunder until the date on which such Common Shares underlying the RSUs, if any, are issued or delivered to the Participant pursuant to Section 3 of this Agreement.

- (b) If the Company declares a dividend or distribution on the Common Shares payable other than in shares of the Company's capital stock and the record date for such dividend or distribution occurs before the date on which the Common Shares are issued or delivered in accordance with Section 3(b), the Participant shall be paid, on or as promptly as practicable after the payment date for such dividend or distribution (and, in any event, within the same calendar quarter in which such dividend or distribution is paid), the amount and type of dividend or distribution that the Participant would have received if the RSUs to which such Common Shares relate had vested and the number of Common Shares underlying such RSUs had been issued and outstanding and held of record by the Participant on such record date. If the Company declares a dividend or distribution on the Common Shares payable other than in shares of the Company's capital stock and the record date for such dividend or distribution occurs after a vesting date or event but before Common Shares are issued or delivered to the Participant in settlement of any RSUs that vested on such vesting date or event, the Participant shall be paid, on or as promptly as practicable after the payment date for such dividend or distribution (and, in any event, within the same calendar year in which such dividend or distribution is paid), the amount and type of dividend or distribution that the Participant would have received if such Common Shares had been issued and outstanding and held of record by the Participant on such record date. For purposes of the time and form of payment requirements of Section 409A of the Code, such dividend and distribution equivalents shall be treated separately from the right to receive the RSUs.
- (c) The obligations of the Company under this Agreement are unfunded and unsecured, and the rights of the Participant hereunder will be no greater than those of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.
- (d) In the event that (i) the Participant ceases to be an Employee of the Company during a Restriction Period and forfeits RSUs pursuant to Section 5 of this Agreement or (ii) the Participant forfeits RSUs pursuant to Section 7 or 8 of this Agreement, the Company shall have the right to demand that all or any portion of dividend or distribution equivalents theretofore received by the Participant in respect of such forfeited RSUs be repaid to the Company. Furthermore, the Company may, to the extent permitted by law, set off the amounts payable to it as a result of any such demand against any amounts that may be owing from time to time by the Company or any Subsidiary to the Participant, whether as wages or vacation pay or in the form of any other benefit or for any other reason; provided, however, that except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are "deferred compensation" within the meaning of Section 409A of the Code.

5. **Cessation of Employment .**

- (a) **By Death .** In the event the Participant ceases to be an Employee of the Company by reason of death during a Restriction Period, all RSUs granted hereunder and held by the Participant at the time of death shall no longer be subject to the Restriction Period and shall become 100% vested, and the Company shall issue or deliver the Common Shares underlying such RSUs in accordance with Section 3(b) of this Agreement.
- (b) **By Disability .** In the event the Participant becomes Disabled (as defined in this Section 5(b)) during a Restriction Period, all RSUs granted hereunder and held by the Participant at the time of the Participant's Disability shall no longer be subject to the Restriction Period and shall become 100% vested, and the Company shall issue or deliver the Common Shares underlying such RSUs in accordance with Section 3(b) of this Agreement.

"Disabled" or "Disability" shall be defined as unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

- (c) **Involuntary Termination Other Than For Cause or Detrimental Activity; Termination For Good Reason .** In the event the Participant ceases to be an Employee of the Company during a Restriction Period because either (i) the Company or any of its Subsidiaries terminates such employment for any reason other than for Cause (as defined in Section 12 of this Agreement) or other Detrimental Activity (as defined in Section 12 of this Agreement) or (ii) the Participant terminates his or her employment for Good Reason (as defined in Section 12 of this Agreement), all RSUs granted hereunder and held by the Participant at the time of such employment termination shall, subject to the forfeiture provisions contained in Section 7 and 8 of this Agreement, remain outstanding and vest on the date(s) set forth under the "Vesting Schedule" on the electronic cover page to which this Agreement is attached (provided, however, that, in the event of the Participant's death or Disability or a Change in Control following such employment termination, all RSUs granted hereunder and held by the Participant at the time of such death, Disability or Change in Control shall no longer be subject to the Restriction Period and shall become 100% vested) and the Company shall issue or deliver the Common Shares underlying such RSUs in accordance with Section 3(b) of this Agreement.
- (d) **Retirement .** In the event the Participant ceases to be an Employee of the Company as a result of retirement at or after age 65 ("Retirement") during a Restriction Period, a pro rata portion, determined in accordance with the next following sentence, of all RSUs granted hereunder and held by the Participant at the time of such Retirement shall, subject to the forfeiture provisions contained in Sections 7 and 8 of this Agreement, remain outstanding and vest on the date(s) set forth under the "Vesting Schedule" on the electronic cover page to which this Agreement is attached (provided, however, that, in the event of the Participant's death or Disability or a Change in Control following the Participant's Retirement, such pro rata portion of RSUs granted hereunder and held by the Participant at the time of such death, Disability or Change in Control shall no longer be subject to the Restriction Period and shall become vested) and the Company shall issue or deliver the Common Shares underlying such RSUs in accordance with Section 3(b) of this Agreement. Such pro rata portion shall be determined based on a fraction, the numerator of which shall be the number of days the Participant was employed during a Restriction Period and the denominator of which shall be the total number of days in such Restriction Period. RSUs granted hereunder and held by the Participant at the time of a Retirement contemplated by this Section 5(d) that do not remain outstanding and vest as provided above shall be forfeited by the Participant upon such Retirement.

- (e) **For Other Reasons** . In the event the Participant ceases to be an Employee of the Company for any reason other than a reason set forth in Section 5(a), 5(b), 5(c) or 5(d) of this Agreement during a Restriction Period, all unvested RSUs granted hereunder and held by the Participant at the time of employment cessation shall be forfeited by the Participant. The Company shall have the right, at the sole discretion of the Committee, to vest all or any portion of the RSUs held by the Participant that would otherwise be forfeited.

6. Change in Control . Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control during a Restriction Period and while the Participant continues to be an Employee of the Company (unless the Participant has ceased to be an Employee of the Company as a result of employment termination as contemplated by Section 5(c) of this Agreement or as a result of Retirement as contemplated by Section 5(d) of this Agreement), the Restriction Period shall immediately lapse, with all RSUs granted hereunder and held by the Participant at the time of such Change in Control no longer being subject to any Restriction Period and becoming 100% vested, and the Company shall issue and deliver the Common Shares underlying such RSUs to the Participant in accordance with Section 3(b) of this Agreement.

7. Restrictions on Transfer . Except as may otherwise be provided herein or in the Plan, neither the RSUs granted hereunder nor any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying such RSUs) shall be transferable prior to payment in accordance with Section 3 of this Agreement other than as contemplated by Section 9 of this Agreement or by will or the laws of descent and distribution. If, during a Restriction Period, RSUs granted hereunder or any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying RSUs) are sold, transferred, pledged, assigned or otherwise alienated or hypothecated, whether voluntarily or involuntarily, other than in accordance with this Agreement or the Plan, or if any attachment, execution, garnishment or lien shall be issued against or placed upon RSUs granted hereunder or any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying RSUs), all RSUs shall be immediately forfeited by the Participant and all obligations of the Company under this Agreement shall terminate.

8. Detrimental Activity . If the Participant, either during employment by the Company or any Subsidiary or within one (1) year after termination or cessation of such employment (or, if cessation of such employment results from Retirement as contemplated by Section 5(d) of this Agreement, within the period ending one (1) year after the latest date set forth under the "Vesting Schedule" on the electronic cover page to which this Agreement is attached), shall engage in any Detrimental Activity, and the Committee shall so find, the Participant upon notice of such finding shall be obligated to:

- (a) Forfeit any RSUs granted hereunder then held by the Participant;
- (b) Return to the Company, in exchange for payment by the Company of any cash amount actually paid therefor by the Participant (unless such payment is prohibited by law), all Common Shares that the Participant has not disposed of that were acquired pursuant to this Agreement since the date that is one (1) year prior to the date of the commencement of such Detrimental Activity; and
- (c) With respect to any Common Shares so acquired that the Participant has disposed of, pay to the Company in cash the aggregate Market Value per Share of the Common Shares on the date of such acquisition.

To the extent that such amounts are not paid to the Company, the Company may, to the extent permitted by law, set off the amounts so payable to it against any amounts that may be owing from time to time by the Company or any Subsidiary to the Participant, whether as wages or vacation pay or in the form of any other benefit or for any other reason; provided, however, that except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are “deferred compensation” within the meaning of Section 409A of the Code. For purposes of this Section 8, Common Shares shall be deemed to be acquired pursuant to this Agreement at such time as they are issued or delivered to the Participant to settle vested RSUs.

- 9. **Beneficiary Designation** . The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Participant’s death before the Participant receives all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and shall be effective only when filed by the Participant in writing with the Vice President Human Resources of the Company during the Participant’s lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant’s death shall be paid in accordance with the Participant’s will or the laws of descent and distribution.
- 10. **Continuation of Employment** . This Agreement shall not confer upon the Participant any right with respect to continuance of employment with the Company or any Subsidiary, nor shall this Agreement interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate the Participant’s employment or other service at any time.
- 11. **Miscellaneous** .
 - (a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

- (b) In accordance with Section 18 of the Plan, the Board may terminate, amend or modify the Plan.
- (c) The Participant shall be obligated to pay to the Company or make arrangements satisfactory to the Committee for payment of any federal, state and local taxes (including the Participant's FICA obligation), whether domestic or foreign, required by law to be withheld on account of any event under this Agreement.

The Company shall have the power and the right to deduct or withhold from the Participant's compensation an amount sufficient to satisfy federal, state and local taxes (including the Participant's FICA obligation), whether domestic or foreign, required by law to be withheld with respect to any event under this Agreement should the Participant fail to make timely payment of all taxes due.

The Participant may elect, subject to the Plan, the approval of the Committee and any procedural rules adopted by the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Common Shares otherwise to be issued or delivered to settle vested RSUs having an aggregate Market Value per Share on the date the tax is to be determined equal to the amount required to be withheld.

- (d) The Participant shall be obligated to take all steps necessary to comply with all applicable provisions with respect to transfers of the Company's securities imposed by the Company's certificate of incorporation, bylaws and insider trading policies and federal and state securities laws, each as in effect from time to time, in exercising his or her rights under this Agreement.
- (e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company.
- (f) This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.
- (g) Notice hereunder shall be given to the Company at its principal place of business or such other address as the Company may subsequently furnish to the Participant in writing, and shall be given to the Participant at the address of such Participant that is specified in the Company's records.
- (h) If there is any inconsistency between the terms of this Agreement and the terms of a written employment agreement between the Participant and the Company or any Subsidiary (the "Employment Agreement") relating to the vesting of RSUs granted hereunder, the terms of the Employment Agreement shall control, provided that such terms of the Employment Agreement are not inconsistent with the terms of the Plan.
- (i) The Participant is deemed to be bound by the terms and conditions governing the RSUs granted hereunder as the same are set forth in this Agreement, the electronic cover page to which this Agreement is attached and the Plan, regardless of whether the Participant acknowledges acceptance of such grant by electronic communication or other written communication.

- (j) To the extent applicable, this Agreement and the Plan are intended to comply with Section 409A of the Code and all provisions of this Agreement and the Plan shall be administered, construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. To the extent that the RSUs, or the issuance or delivery of the Common Shares underlying the RSUs or the payment of dividend or distribution equivalents, are subject to Section 409A of the Code, the RSUs shall be awarded, any Common Shares in respect thereof shall be issued or delivered and the payment of dividend or distribution equivalents shall be paid, in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding any provision to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, the Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed in connection with this Agreement (including any taxes and penalties under Section 409 of the Code), and neither the Company nor any Subsidiary shall have any obligation to indemnify or otherwise hold the Participant harmless from any or all of such taxes or penalties. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. Notwithstanding any other provision to the contrary, to the extent that any payment described in this Agreement constitutes a “deferral of compensation” subject to Section 409A of the Code (after taking into account to the maximum extent possible any applicable exemptions) treated as payable upon a “separation from service” (as defined in Section 409A of the Code), then, if on the date of the Participant’s separation from service, the Participant is a “specified employee” (as defined in Section 409A of the Code and using the identification methodology selected by the Company from time to time), to the extent required for the Participant not to incur additional taxes pursuant to Section 409A of the Code, then such payment will be made to the Participant on the fifth business day of the seventh month after such separation from service. Notwithstanding any other provision to the contrary, a termination or cessation of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of “deferred compensation” upon or following a termination or cessation of employment unless such termination is also a “separation from service” from the Company, and, for purposes of any such provision of this Agreement, references to “employment termination,” “termination of employment,” “employment cessation,” “cessation of employment” or like terms shall mean “separation from service.”

12. **Definitions .**

- (a) “ **Cause** ” means (i) the Participant’s engaging in fraud, embezzlement, gross misconduct or any act of gross dishonesty with respect to the Company or its affiliates, (ii) the Participant’s habitual drug or alcohol use which impairs the ability of the Participant to perform his or her duties with the Company or its affiliates, (iii) the Participant’s indictment with respect to, conviction of, or plea of guilty or no contest to, any felony, or other comparable crime under applicable local law (except, in any event, for motor vehicle violations not involving personal injuries to third parties or driving while intoxicated), or the Participant’s incarceration with respect to any of the foregoing that, in each case, impairs the Participant’s ability to continue to perform his or her duties with the Company and its affiliates, or (iv) the Participant’s material breach of any written employment agreement or other agreement between the Company and the Participant, or of the Company’s Code of Business Conduct and Ethics, or failure by the Participant to substantially perform his or her duties for the Company which remains uncorrected or reoccurs after written notice has been delivered to the Participant demanding substantial performance and the Participant has had a reasonable opportunity to correct such breach or failure to perform.
- (b) “ **Detrimental Activity** ” means any conduct or act determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of the Company or any Subsidiary, including, without limitation, any one or more of the following types of activity:
- (i) Conduct resulting in an accounting restatement due to material noncompliance with any financial reporting requirement under the U.S. federal securities laws.
 - (ii) Engaging in any activity, as an employee, principal, agent or consultant for another entity that competes with the Company in any actual, researched or prospective product, service, system or business activity for which the Participant has had any direct responsibility during the last two (2) years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or a Subsidiary manufactures, sells, markets, services or installs such product, service or system, or engages in such business activity.
 - (iii) Soliciting any Employee of the Company to terminate his or her employment with the Company or a Subsidiary.
 - (iv) The disclosure to anyone outside the Company or a Subsidiary, or the use in other than the Company’s or a Subsidiary’s business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its Subsidiaries acquired by the Participant during his or her employment with the Company or its Subsidiaries or while acting as a consultant for the Company or its Subsidiaries.
 - (v) The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the Participant during employment by the Company or any Subsidiary, relating in any manner to the actual or anticipated business, research or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and in other countries.

(vi) Activity that results in termination of employment for Cause.

(c) “ **Employee of the Company** ” means an officer or employee of the Company or one or more of its Subsidiaries.

(d) “ **Good Reason** ” means, without a Participant’s consent, the occurrence of any of the following events which is not cured by the Company within ten (10) business days following the Participant’s written notice to the Company of the event constituting Good Reason; provided, however, that (x) if such written notice is not received by the Company within the thirty (30) day period after the date on which the Participant first had knowledge of the occurrence of such event giving rise to Good Reason, any such written notice shall not be effective and the Participant shall be deemed to have waived his/her right to terminate employment for Good Reason with respect to such event or (y) if the Participant does not terminate his or her employment within the ninety (90) day period after the date on which the Participant first had knowledge of the occurrence of such event giving rise to Good Reason, the Participant shall be deemed to have waived his or her right to terminate employment for Good Reason with respect to such event:

(i) Demotion, reduction in title, reduction in position or responsibilities, or change in reporting responsibilities or reporting level that is materially and adversely inconsistent with the Participant’s then position or the assignment of duties and/or responsibilities materially and adversely inconsistent with such position; or

(ii) Relocation of the Participant’s primary office location more than fifty (50) miles from the Participant’s then current office location; or

(iii) Reduction of greater than 10% in the Participant’s then base salary or reduction of greater than 10% in the Participant’s then long term or short term incentive compensation opportunity or a reduction in the Participant’s eligibility for participation in the Company’s benefit plans that is not commensurate with a similar reduction among similarly situated employees.

Kaiser Aluminum Corporation

You have been selected to receive a grant of Performance Shares pursuant to the Kaiser Aluminum Corporation 2016 Equity and Incentive Compensation Plan (the "Plan"), as specified below:

Participant:
Global ID:
Award Type: Performance Share Award - Tier I
Plan Name:

Award Date:
Expiration Date: N/A

Total Granted:
Award Price: \$0.0000 (USD)

Vesting Schedule

Shares/Options Awarded	Vest Date

Attached to this electronic cover page is a copy of the Performance Shares Award Agreement, which, together with this electronic cover page and the Plan, sets forth the terms and conditions governing this grant of Performance Shares.

Separately, you have been provided copies of the Plan, the Company's most recent Plan prospectus and the Company's most recent Annual Report on Form 10-K, containing the Company's most recent audited financial statements.

Please acknowledge your receipt and acceptance of this grant of Performance Shares on the terms and conditions set forth in this electronic cover page, the attached Performance Shares Award Agreement and the Plan (including your obligations thereunder) by clicking on "I Accept" below. Please respond no later than

Kaiser Aluminum Corporation 2016 Equity and Incentive Compensation Plan Performance Shares Award Agreement

You have been selected to receive a grant of Performance Shares pursuant to the Kaiser Aluminum Corporation 2016 Equity and Incentive Compensation Plan (the "Plan"), as specified below:

End of Performance Period : December 31, 2019

Management Objectives : The Management Objectives which, if achieved, will result in payment hereunder are set forth on Exhibit A hereto.

Formula for Determining Performance Shares Earned : Except as otherwise provided in Section 5 or Section 6 of this Agreement, the specific number of Performance Shares earned hereunder, if any, will be determined based on the level of achievement of the Management Objectives in accordance with the formula set forth on Exhibit A hereto. Except as otherwise provided in Section 5 or Section 6 of this Agreement, before the Performance Shares will be earned and paid, the Committee must certify the level of achievement of the Management Objectives, which the Committee shall do as soon as practicable after the date set forth under "End of Performance Period" above and in no event later than March 15 of the calendar year following the "End of Performance Period" above.

Performance Vesting Date : For purposes of this Agreement, "Performance Vesting Date" means the later of (1) the third anniversary of the Date of Grant (referred to as "Award Date" on the electronic cover page) and in no event later than March 15 of the calendar year following the "End of the Performance Period" above and (2) the date on which the Committee certifies the level of achievement of the Management Objectives specified above, to determine the number of Performance Shares earned hereunder, if any, that become vested and earned, if applicable.

THIS PERFORMANCE SHARES AWARD AGREEMENT (this "Agreement"), effective as of the Date of Grant, evidences the grant of Performance Shares by Kaiser Aluminum Corporation, a Delaware corporation (the "Company"), to the Participant named on the electronic cover page to which this Agreement is attached (the "Participant") pursuant to the provisions of the Plan.

The Date of Grant of the Performance Shares granted hereunder and the number of Performance Shares granted hereunder are specified on the electronic cover page to which this Agreement is attached. Such electronic cover page is incorporated herein by reference.

This Agreement, the electronic cover page to which this Agreement is attached and the Plan collectively provide a complete description of the terms and conditions governing the Performance Shares granted hereunder. If there is any inconsistency between the terms of this Agreement or the electronic cover page to which it is attached, on the one hand, and the terms of the Plan, on the other hand, the Plan's terms shall control. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein.

1. Employment with the Company . Except as may otherwise be provided in Sections 5 or 6 of this Agreement, the Performance Shares granted hereunder are granted on the condition that the Participant remains an Employee of the Company (as defined in Section 11 of this Agreement) from the Date of Grant through (and including) the Performance Vesting Date.

2. Account for Performance Shares; Restrictions on Transfer .

- (a) The Performance Shares covered by this Agreement are granted to the Participant effective on the Date of Grant and are subject to, and granted upon, the terms, conditions and restrictions set forth in this Agreement and in the Plan. The Performance Shares granted hereunder shall be earned as set forth under "Formula for Determining Performance Shares Earned." The Performance Shares granted hereunder shall be credited to a bookkeeping entry in the Participant's name established and maintained by the Company until payment or forfeiture of such Performance Shares in accordance with this Agreement.
- (b) Except as may otherwise be provided herein and in the Plan, neither the Performance Shares granted hereunder nor any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying such Performance Shares) shall be transferable prior to payment in accordance with Section 3 of this Agreement other than as contemplated by Section 8 of this Agreement or by will or the laws of descent and distribution. If Performance Shares granted hereunder or any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying Performance Shares) are sold, transferred, pledged, assigned or otherwise alienated or hypothecated, whether voluntarily or involuntarily, other than in accordance with this Agreement or the Plan, or if any attachment, execution, garnishment or lien shall be issued against or placed upon Performance Shares granted hereunder or any right or interest under this Agreement (including, without limitation, any interest in the Common Shares underlying Performance Shares), all Performance Shares shall be immediately forfeited by the Participant and all obligations of the Company under this Agreement shall terminate.

3. Payment of Performance Shares .

- (a) Each Performance Share granted hereunder that becomes vested and earned or deemed earned shall entitle the Participant to receive one (1) Common Share, subject to adjustment in accordance with Section 11 of the Plan.
- (b) The Company shall issue or deliver Common Shares to the Participant to settle vested and earned Performance Shares granted hereunder as soon as practicable following the Performance Vesting Date (and in no event later than March 15 of the calendar year following the year in which the "End of Performance Period" occurs) or, if the Performance Shares are vested and earned or deemed earned prior thereto upon an event contemplated by Section 5(a), Section 5(b) or Section 6 of this Agreement, the date of such event (but, in all cases, within the "short term deferral" period determined under Treasury Regulation Section 1.409A-1(b)(4) (the "Short-Term Deferral Period")), with the applicable vesting date being referred to herein as the "Vesting Date." Notwithstanding the foregoing, if the applicable Vesting Date is a date when trading in the Common Shares is subject to a "blackout period" or any other restriction on trading under the Company's trading policy, the issuance or delivery to the Participant of the Common Shares underlying the vested and earned Performance Shares shall be deferred until the end of such "blackout period" or other restriction on trading, provided that, in all cases, the Common Shares underlying the vested and earned Performance Shares shall be issued or delivered to the Participant within the applicable Short-Term Deferral Period. For the sake of clarity, the settlement and payment of Performance Shares under this Agreement is intended to comply with Treasury Regulation Section 1.409A-1(b)(4), and this Agreement will be construed and administered in such a manner. As a result, notwithstanding any provision in this Agreement to the contrary, the settlement and payment of Performance Shares under this Agreement in all events will be made no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the Common Shares subject to the vested Performance Shares are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulation Section 1.409A-1(d).

- (c) Except to the extent determined by the Committee and permitted by the Plan, the Company may not issue or deliver Common Shares to the Participant in respect of the Performance Shares granted hereunder at a time earlier than otherwise expressly provided in this Agreement.
- (d) The Company's obligations to the Participant with respect to this Agreement and the Performance Shares vested and earned hereunder shall be satisfied in full upon the issuance or delivery of Common Shares in respect of such Performance Shares and, if applicable, the payment contemplated by Section 4(b) of this Agreement.

4. No Rights as Stockholder; Related Cash Payment.

- (a) The Participant shall have no rights of ownership in the Performance Shares granted hereunder and shall have no voting or other ownership rights in respect of the Common Shares underlying the Performance Shares granted hereunder until the date on which such Common Shares, if any, are issued or delivered to the Participant pursuant to Section 3 of this Agreement.
- (b) If the Company declares any dividends or distributions on the Company's Common Shares payable other than in shares of the Company's capital stock and the record and payment dates for such dividends or distributions occur on or after the Date of Grant but before Common Shares are issued or delivered in accordance with Section 3 of this Agreement, then contemporaneously with the issuance or delivery of Common Shares in accordance with Section 3 of this Agreement, the Company shall make a payment to the person or persons to whom such Common Shares are so issued or delivered, with such payment equal, in amount and in kind, to the dividends and distributions that such person or persons would have received if the number of Common Shares so issued or delivered had been issued and outstanding and held of record by such person or persons from and after the Date of Grant through the date of such issuance or delivery, without interest thereon. If the Company declares any dividends or distributions on the Company's Common Shares payable other than in shares of the Company's capital stock and the record date for such dividends or distributions occurs before Common Shares are issued or delivered in accordance with Section 3 of this Agreement but the payment date for such dividends or distributions does not occur before Common Shares are so issued or delivered, then the Company shall make a payment to the person or persons to whom such Common Shares are so issued or delivered, with such payment equal, in amount and in kind, to such dividends or distributions as promptly as practicable after the payment date for such dividends or distributions (and, in any event, within the Short-Term Deferral Period).

- (c) The obligations of the Company under this Agreement are unfunded and unsecured, and the rights of the Participant hereunder will be no greater than those of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.
- (d) In the event Section 7 of this Agreement is applicable to any Common Shares acquired pursuant to this Agreement, the Company shall have the right to demand that all or any portion of payments theretofore received by the Participant pursuant to Section 4(b) of this Agreement in respect of such Common Shares be repaid or returned to the Company. Furthermore, the Company may, to the extent permitted by law, set off the amounts payable to it as a result of any such demand against any amounts that may be owing from time to time by the Company or any Subsidiary to the Participant, whether as wages or vacation pay or in the form of any other benefit or for any other reason; provided, however, that except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are “deferred compensation” within the meaning of Section 409A of the Code.

5. Cessation of Employment .

- (a) **By Death.** In the event the Participant ceases to be an Employee of the Company by reason of death prior to the date set forth under “End of Performance Period” and Section 6 of this Agreement is not then applicable, then a number of Performance Shares granted hereunder that would become vested and earned assuming achievement of the target level of Management Objectives set forth above and assuming the Participant were an Employee of the Company from the Date of Grant through (and including) the Performance Vesting Date (“Target Performance Shares”) shall, on the date of the Participant’s death, immediately become 100% vested and deemed earned and the Company shall issue or deliver the Common Shares underlying the Target Performance Shares as soon as practicable following the date of death (and, in any event, within the Short-Term Deferral Period) to the person or persons that have been named as the Participant’s beneficiary or beneficiaries, as contemplated by Section 8 of this Agreement, or to such person or persons that have acquired the Participant’s rights to such Performance Shares by will or the laws of descent and distribution.

In the event the Participant ceases to be an Employee of the Company by reason of death on or after the date set forth under “End of Performance Period” but on or before the Performance Vesting Date, a number of Performance Shares granted hereunder that would become vested and earned on the Performance Vesting Date assuming the Participant were an Employee of the Company from the Date of Grant through (and including) the Performance Vesting Date (“Earned Performance Shares”) shall become 100% vested and earned upon the Performance Vesting Date and the Company shall issue or deliver the Common Shares underlying the Earned Performance Shares as soon as practicable following the Performance Vesting Date (and in no event later than 2-½ months following the calendar year in which the “End of Performance Period” occurs) to the person or persons that have been named as the Participant’s beneficiary or beneficiaries, as contemplated by Section 8 of this Agreement, or to such person or persons that have acquired the Participant’s rights to such Performance Shares by will or the laws of descent and distribution.

Notwithstanding the foregoing, if, in connection with the events contemplated by the first sentence of this Section 5(a), the Participant’s death or, in connection with the events contemplated by the second sentence of this Section 5(a), the Performance Vesting Date occurs on a date when trading in the Common Shares is subject to a “blackout period” or any other restriction on trading under the Company’s trading policy, the issuance or delivery to such person or persons of the Common Shares underlying the Performance Shares shall be deferred until the end of such “blackout period” or other restriction on trading, provided that, in all cases, the Common Shares underlying the Performance Shares shall be issued or delivered to such person or persons (i) in connection with the events contemplated by the first sentence of this Section 5(a), within the Short-Term Deferral Period or (ii) in connection with the events contemplated by the second sentence of this Section 5(a), no later than 2-½ months following the calendar year in which the “End of Performance Period” occurs.

- (b) **By Disability** . In the event the Participant becomes Disabled (as defined in this Section 5(b)) prior to the date set forth under “End of Performance Period” and Section 6 of this Agreement is not then applicable, then the Target Performance Shares shall, upon the date of the Participant’s Disability, immediately become 100% vested and deemed earned, and the Company shall issue or deliver the Common Shares underlying the Target Performance Shares to the Participant in accordance with Section 3 of this Agreement. In the event the Participant becomes Disabled on or after the date set forth under “End of Performance Period” but on or before the Performance Vesting Date, any Earned Performance Shares shall become 100% vested and earned upon the Performance Vesting Date and the Company shall issue or deliver the Common Shares underlying the Earned Performance Shares to the Participant in accordance with Section 3 of this Agreement.

“Disabled” or “Disability” shall be defined as unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

- (c) **Involuntary Termination Other Than for Cause or Detrimental Activity; Termination For Good Reason** . In the event the Participant ceases to be an Employee of the Company on or before the Performance Vesting Date because either (i) the Company or any of its Subsidiaries terminates such employment for any reason other than for Cause (as defined in Section 11 of this Agreement) or other Detrimental Activity (as defined in Section 11 of this Agreement) or (ii) the Participant terminates his or her employment for Good Reason (as defined in Section 11 of this Agreement) and, in either case, Section 6 of this Agreement is not applicable at the time of such employment termination, then the Performance Shares granted hereunder shall remain outstanding subject to the forfeiture provisions contained in Sections 2 and 7 of this Agreement and any Earned Performance Shares shall become 100% vested and earned upon the Performance Vesting Date, and the Company shall issue or deliver the Common Shares underlying the Earned Performance Shares to the Participant in accordance with Section 3 of this Agreement.
- (d) **Retirement** . In the event the Participant ceases to be an Employee of the Company as a result of retirement at or after age 65 ("Retirement") and on or before the Performance Vesting Date and Section 6 of this Agreement is not then applicable, then the Performance Shares granted hereunder shall remain outstanding subject to the forfeiture provisions contained in Sections 2 and 7 of this Agreement and a pro rata portion, determined in accordance with the next following sentence, of any Earned Performance Shares shall become vested and earned upon the Performance Vesting Date. Such pro rata portion shall be determined based on a fraction, the numerator of which shall be the number of days employed during the three-year period ending on the date set forth under "End of Performance Period" above and the denominator of which shall be the total number of days in such three-year period. The Company shall issue or deliver the Common Shares underlying the Earned Performance Shares so vested and earned to the Participant in accordance with Section 3 of this Agreement.
- (e) **For Other Reasons** . In the event the Participant ceases to be an Employee of the Company prior to the Performance Vesting Date for any reason other than a reason set forth in Section 5(a), 5(b), 5(c) or 5(d) of this Agreement and Section 6 of this Agreement is not then applicable, then all Performance Shares granted hereunder and any rights to payments related thereto shall be forfeited by the Participant. The Company shall have the right, at the sole discretion of the Committee, to determine that all or any portion of the Performance Shares that would otherwise be forfeited has been vested and earned.

6. Change in Control . Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control before the date set forth under "End of Performance Period" and while the Participant continues to be an Employee of the Company (unless the Participant has ceased to be an Employee of the Company as a result of employment termination as contemplated by Section 5(c) of this Agreement or as a result of Retirement as contemplated by Section 5(d) of this Agreement), then a number of Performance Shares determined in accordance with the "Formula for Determining Performance Shares Earned" based on the level of achievement of the Management Objectives set forth above through the date of the Change in Control (or, if the financial information needed to determine the level of achievement of the Management Objectives is not available through the date of the Change in Control, the most recent date prior to the Change in Control through which such information is available) shall, upon the date of the Change in Control, immediately become 100% vested and earned (or, if the Participant has ceased to be an Employee of the Company as a result of Retirement as contemplated by Section 5(d) of this Agreement before the date of the Change in Control, a pro rata portion, determined based on a fraction, the numerator of which shall be the number of days employed during the period from and including the first day of the three-year period ending on the date set forth under "End of Performance Period" above through and including the date of the Change in Control and the denominator of which shall be the total number of days in such period, of such number of Performance Shares shall immediately become vested and earned), and the Company shall issue or deliver the Common Shares underlying the Performance Shares so vested and earned (or the consideration that would have been issued or delivered in respect thereof had the Performance Shares so vested and earned been outstanding at the time of such Change in Control) to the Participant in accordance with Section 3 of this Agreement. In the event of a Change in Control on or after the date set forth under "End of Performance Period" but on or before the Performance Vesting Date, any Earned Performance Shares shall become 100% vested and earned (or, if the Participant has ceased to be an Employee of the Company as a result of Retirement as contemplated by Section 5(d) of this Agreement before the date of the Change in Control, a pro rata portion, determined as set forth in Section 5(d) of this Agreement, of any Earned Performance Shares shall become vested and earned) upon the Performance Vesting Date and the Company shall issue or deliver the Common Shares underlying the Earned Performance Shares so vested and earned (or the consideration that would have been issued or delivered in respect thereof had the Earned

Performance Shares so vested and earned been outstanding at the time of such Change in Control) to the Participant in accordance with Section 3 of this Agreement.

7. Detrimental Activity . If the Participant, either during employment by the Company or any Subsidiary or within one (1) year after termination or cessation of such employment (or, if termination or cessation of such employment is by the Company or any of its Subsidiaries for any reason other than for Cause or other Detrimental Activity or by the Participant for Good Reason as contemplated by Section 5(c) of this Agreement or results from Retirement as contemplated by Section 5(d) of this Agreement, within the period commencing upon termination or cessation of such employment and ending one (1) year after the date set forth under “End of Performance Period”), shall engage in any Detrimental Activity, and the Committee shall so find, the Participant upon notice of such finding shall be obligated to:

- (a) Forfeit any Performance Shares granted hereunder;
- (b) Return to the Company all Common Shares that the Participant has not disposed of that were acquired pursuant to this Agreement since the date that is one (1) year prior to the date of the commencement of such Detrimental Activity; and
- (c) With respect to any Common Shares so acquired that the Participant has disposed of, pay to the Company in cash the aggregate Market Value per Share of the Common Shares on the date of such acquisition.

To the extent that such amounts are not paid to the Company, the Company may, to the extent permitted by law, set off the amounts so payable to it against any amounts that may be owing from time to time by the Company or any Subsidiary to the Participant, whether as wages or vacation pay or in the form of any other benefit or for any other reason; provided, however, that, except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are “deferred compensation” within the meaning of Section 409A of the Code. For purposes of this Section 7, Common Shares shall be deemed to be acquired pursuant to this Agreement at such time as they are issued or delivered to the Participant to settle earned Performance Shares.

8. Beneficiary Designation . The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in the case of the Participant's death before the Participant receives all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and shall be effective only when filed by the Participant in writing with the Vice President Human Resources of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid in accordance with the Participant's will or the laws of descent and distribution.

9. Continuation of Employment . This Agreement shall not confer upon the Participant any right with respect to continuance of employment with the Company or any Subsidiary, nor shall this Agreement interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate the Participant's employment or other service at any time.

10. Miscellaneous .

- (a) The payments under this Agreement and the Plan are intended to comply with, or be exempt from, Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement and the Plan shall be administered, construed and interpreted in a manner consistent therewith. To the extent that the Performance Shares, or the issuance or delivery of the Common Shares or other payments in respect of the Performance Shares, are subject to Section 409A, the Performance Shares shall be awarded, and any Common Shares in respect thereof shall be issued or delivered, in a manner that will comply with Section 409A, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding any provision of this Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, the Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any Subsidiary shall have any obligation to indemnify or otherwise hold the Participant harmless from any or all of such taxes or penalties.
- (b) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

- (c) In accordance with Section 18 of the Plan, the Board may terminate, amend or modify the Plan.
- (d) The Participant shall be obligated to pay to the Company or make arrangements satisfactory to the Committee for payment of any federal, state and local taxes (including the Participant's FICA obligation), whether domestic or foreign, required by law to be withheld on account of any event under this Agreement.

The Company shall have the power and the right to deduct or withhold from the Participant's compensation an amount sufficient to satisfy federal, state and local taxes (including the Participant's FICA obligation), whether domestic or foreign, required by law to be withheld with respect to any event under this Agreement should the Participant fail to make timely payment of all taxes due.

The Participant may elect, subject to the Plan, the approval of the Committee and any procedural rules adopted by the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Common Shares issuable or deliverable hereunder having an aggregate Market Value per Share on the date the tax is to be determined equal to the amount required to be withheld.

- (e) The Participant shall be obligated to take all steps necessary to comply with all applicable provisions with respect to transfers of the Company's securities imposed by the Company's certificate of incorporation, bylaws and insider trading policies and federal and state securities laws, each as in effect from time to time, in exercising his or her rights under this Agreement.
- (f) All obligations of the Company under the Plan and this Agreement shall be binding on any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company.
- (g) This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.
- (h) Notice hereunder shall be given to the Company at its principal place of business or such other address as the Company may subsequently furnish to the Participant in writing, and shall be given to the Participant at the address of such Participant that is specified in the Company's records.
- (i) If there is any inconsistency between the terms of this Agreement and the terms of a written employment agreement between the Participant and the Company or any Subsidiary relating to the earning or payment of the Performance Shares granted hereunder, the terms of this Agreement shall control.

- (j) Notwithstanding any other provisions of this Agreement, the Company shall not be required to issue or deliver any Common Shares pursuant to this Agreement on a date on which such issuance or delivery would violate the Securities Act of 1933, as amended, or any other applicable federal or state securities laws.
- (k) The Participant is deemed to be bound by the terms and conditions governing the Performance Shares granted hereunder as the same are set forth in this Agreement, the electronic cover page to which this Agreement is attached and the Plan, regardless of whether the Participant acknowledges acceptance of such grant by electronic communication or other written communication.
- (l) For the avoidance of doubt, Performance Shares that are not vested and earned or deemed earned hereunder either (i) on the Performance Vesting Date based on the level of achievement of the Management Objectives set forth above or (ii) upon an event contemplated by Section 5 or 6 of this Agreement, shall be forfeited by the Participant on the Performance Vesting Date or the date of such event, as applicable (except as otherwise expressly provided). However, the Company shall have the right, at the sole discretion of the Committee, to determine that all or any portion of the Performance Shares that would otherwise be forfeited has been vested and earned.

11. **Definitions .**

- (a) “ **Cause** ” means (i) the Participant’s engaging in fraud, embezzlement, gross misconduct or any act of gross dishonesty with respect to the Company or its affiliates, (ii) the Participant’s habitual drug or alcohol use which impairs the ability of the Participant to perform his or her duties with the Company or its affiliates, (iii) the Participant’s indictment with respect to, conviction of, or plea of guilty or no contest to, any felony, or other comparable crime under applicable local law (except, in any event, for motor vehicle violations not involving personal injuries to third parties or driving while intoxicated), or the Participant’s incarceration with respect to any of the foregoing that, in each case, impairs the Participant’s ability to continue to perform his or her duties with the Company and its affiliates, or (iv) the Participant’s material breach of any written employment agreement or other agreement between the Company and the Participant, or of the Company’s Code of Business Conduct and Ethics, or failure by the Participant to substantially perform his or her duties for the Company which remains uncorrected or reoccurs after written notice has been delivered to the Participant demanding substantial performance and the Participant has had a reasonable opportunity to correct such breach or failure to perform.
- (b) “ **Detrimental Activity** ” means any conduct or act determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of the Company or any Subsidiary, including, without limitation, any one or more of the following types of activity:
 - (i) Conduct resulting in an accounting restatement due to material noncompliance with any financial reporting requirement under the U.S. federal securities laws.

- (ii) Engaging in any activity, as an employee, principal, agent or consultant for another entity that competes with the Company in any actual, researched or prospective product, service, system or business activity for which the Participant has had any direct responsibility during the last two (2) years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or a Subsidiary manufactures, sells, markets, services or installs such product, service or system, or engages in such business activity.
 - (iii) Soliciting any Employee of the Company to terminate his or her employment with the Company or a Subsidiary.
 - (iv) The disclosure to anyone outside the Company or a Subsidiary, or the use in other than the Company's or a Subsidiary's business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its Subsidiaries acquired by the Participant during his or her employment with the Company or its Subsidiaries or while acting as a consultant for the Company or its Subsidiaries.
 - (v) The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the Participant during employment by the Company or any Subsidiary, relating in any manner to the actual or anticipated business, research or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and in other countries.
 - (vi) Activity that results in termination of employment for Cause.
- (c) “ **Employee of the Company** ” means an officer or employee of the Company or one or more of its Subsidiaries.
- (d) “ **Good Reason** ” means, without a Participant's consent, the occurrence of any of the following events which is not cured by the Company within ten (10) business days following the Participant's written notice to the Company of the event constituting Good Reason; provided, however, that (x) if such written notice is not received by the Company within the thirty (30) day period after the date on which the Participant first had knowledge of the occurrence of such event giving rise to Good Reason, any such written notice shall not be effective and the Participant shall be deemed to have waived his/her right to terminate employment for Good Reason with respect to such event or (y) if the Participant does not terminate his or her employment within the ninety (90) day period after the date on which the Participant first had knowledge of the occurrence of such event giving rise to Good Reason, the Participant shall be deemed to have waived his or her right to terminate employment for Good Reason with respect to such event:

- (i) Demotion, reduction in title, reduction in position or responsibilities, or change in reporting responsibilities or reporting level that is materially and adversely inconsistent with the Participant's then position or the assignment of duties and/or responsibilities materially and adversely inconsistent with such position; or
- (ii) Relocation of the Participant's primary office location more than fifty (50) miles from the Participant's then current office location; or
- (iii) Reduction of greater than 10% in the Participant's then base salary or reduction of greater than 10% in the Participant's then long term or short term incentive compensation opportunity or a reduction in the Participant's eligibility for participation in the Company's benefit plans that is not commensurate with a similar reduction among similarly situated employees.

Exhibit A

[Management Objective]

Kaiser Aluminum 2017-2019 Long-Term Incentive Plan

Management Objective:

The applicable measurable performance objective:

- for 40% of the Performance Shares is the percentile ranking (“Relative TSR Ranking”) of the total shareholder return (“TSR”) of Kaiser Aluminum Corporation (the “Company”) over the period from January 1, 2017 through December 31, 2019 (the “Performance Period”) compared to the TSR of companies listed on Annex I hereto (each, a “Peer Company”), each of which is a member of the S&P 600 Small Cap Materials Sector index, over the Performance Period;
- for 40% of the Performance Shares is the cost performance (“Cost Performance”) of the Company, measured against the Company’s total controllable cost (“Total Controllable Cost”), over the Performance Period; and
- for 20% of the Performance Shares is the economic value added performance (“EVA Performance”) of the Company, measured by the pre-tax operating income of the Company’s fabricated products business (“PTOI”) less a capital charge, over the Performance Period.

TSR Performance Objective

The Relative TSR Ranking will be based on the Company’s relative stock performance against the Peer Companies, with any dividends being treated as being reinvested on the applicable ex-dividend date.

The beginning and ending share prices are determined using the 20 trading day averages preceding the beginning and the end of the applicable performance period, respectively.

Any Peer Company that is acquired during the Performance Period shall be omitted from the peer group and will not be included in determining the Relative TSR Ranking.

Any Peer Company that files for bankruptcy, or that has its shares delisted from its primary stock exchange because it fails to meet the exchange listing requirements (other than as a result of its acquisition), during the Performance Period shall remain in the peer group and will be ranked last for purposes of determining the Relative TSR Ranking.

The Relative TSR Ranking target is the 50th percentile (the “Target TSR Ranking”). The payout for TSR performance at the target level (a multiplier of 1.00x) is 50% of the applicable Performance Shares. The threshold performance required to potentially earn Performance Shares is a Relative TSR Ranking at the 25th percentile. The payout for TSR performance at the threshold level (a multiplier of 0.50x) is 25% of the applicable Performance Shares. If the Relative TSR Ranking is below the 25th percentile, no Performance Shares will be earned. If the Relative TSR Ranking is greater than the 90th percentile, Performance Shares will be earned at the maximum level. The payout for performance at the maximum level (a multiplier of 2.00x) is 100% of the applicable Performance Shares.

The multiplier for Performance Shares based on TSR Percentile Ranking will be determined by straight line interpolation between the measuring points based on the Relative TSR Ranking as follows:

<u>TSR Percentile Ranking</u>	<u>Multiplier</u>
<25 th percentile	0.00x
25 th percentile	0.50x
50 th percentile	1.00x
75 th percentile	1.50x
≥90 th percentile	2.00x

If the TSR of the Company over the Performance Period is negative, then the multiplier shall be capped at 1.00x.

Cost Performance Objective

The Company’s Cost Performance is measured as a percentage of the average annual increase or decrease in Total Controllable Cost over the Performance Period as compared with the Total Controllable Cost for 2016. The baseline reflects 2016 costs/performance flexed for volume and mix.

Total Controllable Cost shall equal the sum of the Company’s (1) controllable variable conversion cost (“Variable Cost”) and (2) controllable plant overhead and selling, general and administrative expenses (“Overhead Cost”) as more fully described to the Company’s compensation committee (the “Committee”).

The Cost Performance target is a 0% annualized cost increase requiring the offset of underlying inflation (the “Target Cost Performance”). The payout for Cost Performance at the target level (a multiplier of 1.00x) is 50% of the applicable Performance Shares. If the Cost Performance is equal to or greater than a 3% annualized cost increase, no Performance Shares will be earned. If the Cost Performance equals or exceeds a 3% annualized cost reduction, Performance Shares will be earned at the maximum level. The payout for performance at the maximum level (a multiplier of 2.00x) is 100% of the applicable Performance Shares.

The multiplier for Performance Shares based on Cost Performance will be determined by a straight line interpolation based on Cost Performance as follows:

<u>Cost Performance</u>	<u>Multiplier</u>
≥3% annualized cost increase	0.00x
0% annualized cost increase	1.00x
≥3% annualized cost reduction	2.00x

EVA Performance Objective

For each year of the Performance Period, EVA will equal (1) PTOI less (2) 15% of net assets as of the end of the immediately preceding year (“Net Assets”).

In determining EVA for a particular year:

Net Assets will equal total assets less total liabilities of our Consolidated financial statements, subject to adjustments to:

- remove discontinued operations and legacy environmental accruals;
- remove VEBA related assets and liabilities;
- exclude financing items;
- exclude capital expenditures in progress;
- add prorated value of capital projects and acquisitions larger than 1% of prior year Net Assets except to the extent necessary to avoid over-stating Net Assets;
- exclude income tax related assets and liabilities;
- exclude mark-to-market assets and liabilities relating to hedging activities except for those relating to option premiums; and
- address other items as recommended by the Company’s Chief Executive Officer and approved by the Committee.

PTOI will be adjusted to:

- exclude non-cash LIFO inventory charges (benefits) and respective non-cash metal gains (losses);

- exclude non-cash mark to market and lower of cost or market adjustments;
- amortize the following non-recurring activities over three calendar years with the first year being the year of the initial charge if the value exceeds one percent of Net Assets:
 - Restructuring charges;
 - Gains or losses resulting from asset dispositions;
 - Labor stoppage costs; and
 - Asset impairment charges;
- exclude discontinued operations and legacy environmental income and expenses;
- exclude unrealized mark-to-market gains (losses) related to hedging activities;
- exclude VEBA income and expense;
- exclude workers compensation gains (expenses) caused by changes in the discount rate; and
- address other items as recommended by the Company’s Chief Executive Officer and approved by the Committee.

The EVA Performance target is is an amount specified by the Committee (the “Target EVA Performance”). The payout for EVA Performance at the target level (a multiplier of 1.00x) is 50% of the applicable Performance Shares. If the EVA Performance is equal to or less than the threshold amount specified by the Committee, no Performance Shares will be earned. If the EVA Performance is greater than or equal to the maximum EVA performance specified by the Committee, Performance Shares will be earned at the maximum level. The payout for performance at the maximum level (a multiplier of 2.00x) is 100% of the applicable Performance Shares.

The multiplier for Performance Shares based on EVA Performance will be determined by a straight line interpolation based on EVA Performance as follows:

<u>EVA Performance</u>	<u>Multiplier</u>
≤ [Threshold EVA Performance]	0.00x
[Target EVA Performance]	1.00x
≥ [Maximum EVA Performance]	2.00x

Determination of Number of Performance Shares Potentially Earned:

The number of Performance Shares earned, if any, will be determined as follows:

- Following December 31, 2019, the Committee will approve a multiplier (“LTI Multiplier”) for each of the performance metric described above based on the Company’s performance.

- The number of Performance Shares earned, if any, will equal the sum of the product (rounded down to the nearest whole number) of (1) the number of Performance Shares granted under each performance metric and (2) one-half of the LTI Multiplier determined based on each of the applicable Company performance (rounded to the nearest whole percentage point); provided, however, such number will not exceed the number of Performance Shares granted hereunder.

The Committee will approve the LTI Multiplier not later than March 15, 2020.

Administrative Provisions:

Additional administrative provisions are reflected in the terms of the applicable grant documents.

The number of Performance Shares earned by any Covered Employee will be subject to any “umbrella plan” adopted by the Company in order to improve the tax efficiency of the Performance Shares granted to such Covered Employee.

Annex I

Peer Company List

A. Schulman, Inc.	Innospec Inc.
AdvanSix Inc.	KapStone Paper and Packaging Corporation
AK Steel Holding Corporation	Koppers Holdings Inc.
American Vanguard Corporation	Kraton Performance Polymers Inc.
Balchem Corp.	LSB Industries Inc.
Boise Cascade Company	Materion Corporation
Calgon Carbon Corporation	Myers Industries Inc.
Century Aluminum Co.	Neenah Paper, Inc.
The Chamours Company	Olympic Steel Inc.
Clearwater Paper Corporation	PH Glatfelter Co.
Deltic Timber Corporation	Quaker Chemical Corporation
Flotek Industries Inc.	Rayonier Advanced Materials Inc.
Future Fuel Corp.	Schweitzer-Mauduit International Inc.
HB Fuller Co.	Stepan Company
Hawkins Inc.	Stillwater Mining Co.
Haynes International, Inc.	SunCoke Energy Inc.
Headwaters Incorporated	TimkenSteel Corporation
Ingevity Corporation	Tredegar Corp.
Innophos Holdings Inc.	U.S. Concrete

**KAISER ALUMINUM CORPORATION
2006 EQUITY AND PERFORMANCE INCENTIVE PLAN
AMENDMENT TO RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AMENDMENT TO RESTRICTED STOCK UNIT AWARD AGREEMENT (this “Amendment”), effective as of March 8, 2017, amends the Restricted Stock Award Agreement, effective as of March 5, 2016 (the “Award Agreement”), evidencing the grant of Restricted Stock Units by Kaiser Aluminum Corporation, a Delaware corporation (the “Company”), to the undersigned Participant (the “Participant”) pursuant to the provisions of the Kaiser Aluminum Corporation 2006 Equity and Performance Incentive Plan (the “Plan”). All capitalized terms used herein shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein.;

WHEREAS, the Company and the Participant have determined that it is in the best interests of both such parties to amend the Award Agreement.

NOW THEREFORE, the Company and the Participant agree as follows:

1. Section 3(b) of the Award Agreement is hereby amended to read in its entirety as follows:
 - (b) The Company shall issue or deliver Common Shares to settle vested RSUs granted hereunder: (i) except with respect to Sections 5 and 6 of this Agreement, on the applicable date set forth under the “Vesting Schedule” on the electronic cover page to which this Agreement is attached; (ii) in the event of the Participant’s death (the event contemplated by Section 5(a) of this Agreement) or “separation from service” from the Company within the meaning of Section 409A of the Code and Section 1.409A-1(h) of the Treasury Regulations (the event for purposes of Section 409A of the Code contemplated by either Section 5(b), 5(c), or 5(d) of this Agreement), on the date of such event; or (iii) with respect to an event contemplated by Section 6 of this Agreement, on the date of the Change in Control; provided, that if the Change in Control does not constitute a “change of control event” (as described in Treasury Regulation Section 1.409A-3(i)(5)(i)) with respect to the Company, the Common Shares will not be issued or delivered as a result of such event and shall instead be issued or delivered in accordance with this Section 3(b) of this Agreement upon the next event contemplated hereby.
 2. Section 3 of the Award Agreement is hereby revised to add a new subsection (c) thereto to read in its entirety as follows (with all subsequent subsections of Section 3 being re-lettered accordingly):
 - (c) Notwithstanding anything in this Agreement, including Section 3(b) of this Agreement, to the contrary, if, on the date the Participant ceases to be an Employee of the Company, the Participant is deemed to be a “specified employee” within the meaning of that term under Section 409A(a)(2)(B) of the Code, then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A of the Code payable on account of a “separation from service,” such payment or benefit will be made on the earlier of: (i) the fifth business day of the seventh month after such “separation from service” or (ii) the Participant’s death.
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3. The first sentence of Section 5(b) of the Award Agreement is hereby amended to read in its entirety as follows:

In the event the Participant ceases to be an Employee of the Company by reason of Disability (as defined in this Section 5(b)) during a Period of Restriction, all RSUs granted hereunder and held by the Participant at the time of employment termination shall no longer be subject to the Period of Restriction and shall become 100% vested and the Company shall issue or deliver the Common Shares underlying such RSUs to the Participant in accordance with Section 3(b) of this Agreement, subject to any delay required pursuant to Section 3(c) of this Agreement.

4. Sections 5(c) and 5(d) of the Award Agreement are hereby amended to read in their entirety as follows:

- (c) **Involuntary Termination Other Than For Cause or Detrimental Activity; Termination For Good Reason** . In the event the Participant ceases to be an Employee of the Company during a Period of Restriction because either (i) the Company or any of its Subsidiaries terminates such employment for any reason other than for Cause or other Detrimental Activity or (ii) the Participant terminates his or her employment for Good Reason, all RSUs granted hereunder and held by the Participant at the time of such employment termination shall no longer be subject to the Period of Restriction and shall become 100% vested and the Company shall issue or deliver the Common Shares underlying such RSUs to the Participant in accordance with Section 3(b) of this Agreement, subject to any delay required pursuant to Section 3(c) of this Agreement.
- (d) **Retirement** . In the event the Participant ceases to be an Employee of the Company as a result of retirement at or after age 65 during a Period of Restriction, a pro rata portion, determined in accordance with the next following sentence, of all RSUs granted hereunder and held by the Participant at the time of such retirement at or after age 65 shall no longer be subject to the Period of Restriction and shall become vested and the Company shall issue or deliver the Common Shares underlying such RSUs to the Participant in accordance with Section 3(b) of this Agreement, subject to any delay required pursuant to Section 3(c) of this Agreement. Such pro rata portion shall be determined based on a fraction, the numerator of which shall be the number of days the Participant was employed during a Period of Restriction and the denominator of which shall be the total number of days in such Period of Restriction. RSUs granted hereunder and held by the Participant at the time of a retirement at or after age 65 contemplated by this Section 5(d) that do not vest as provided above shall be forfeited by the Participant upon such retirement at or after age 65.
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5. Section 6 of the Award Agreement is hereby amended to read in its entirety as follows:

6. Change in Control . Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control during a Period of Restriction and while the Participant continues to be an Employee of the Company, the Period of Restriction shall immediately lapse, with all RSUs granted hereunder and held by the Participant at the time of such Change in Control no longer being subject to any Period of Restriction and becoming 100% vested, and the Company shall issue or deliver the Common Shares underlying such RSUs to the Participant in accordance with Section 3(b) of this Agreement.

6. Section 11(j) of the Award Agreement is hereby amended to add the following sentence at the end thereof:

Notwithstanding any other provision to the contrary, a termination or cessation of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of “deferred compensation” (as such term is defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder) upon or following a termination or cessation of employment unless such termination or cessation is also a “separation from service” from the Company within the meaning of Section 409A of the Code and Section 1.409A-1(h) of the Treasury Regulations and, for purposes of any such provision of this Agreement, references to “employment termination,” “termination of employment,” “employment cessation,” “cessation of employment” or like terms shall mean “separation from service.”

7. Section 12 of the Award Agreement is hereby revised to add a new subsection (l) thereto to read in its entirety as follows (with the subsequent subsection of Section 12 being re-lettered accordingly):

(l) “ **Vesting Date** ” means the applicable vesting date referred to in Section 5 or 6.

8. Except as expressly set forth herein, the provisions of the Award Agreement shall continue in full force and effect.
[Signatures are located on the next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

KAISER ALUMINUM CORPORATION

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____
Title: _____