

**CHARTER  
OF  
THE COMPENSATION COMMITTEE  
OF  
THE BOARD OF DIRECTORS  
OF  
KAISER ALUMINUM CORPORATION**

**Purposes**

The Compensation Committee of the Board of Directors of the Company establishes and administers the Company's policies, programs and procedures for compensating its senior management. Among other things, the Committee determines, or recommends to the Board of Directors for determination, the compensation of the Chief Executive Officer and all other executive officers and board of directors. The Committee also makes recommendations to the Board of Directors with respect to the approval, adoption and amendment of all incentive plans, including without limitation those in which any executive officer participates.

**Composition**

*Number.* The Committee shall consist of no fewer than three members.

*Qualifications.* Each Committee member must: (a) satisfy the applicable independence criteria contained in the Marketplace Rules of the Nasdaq Stock Market LLC; (b) qualify as a "non-employee director" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934; and (c) qualify as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code; in each case as interpreted reasonably and in good faith by the Board of Directors. Desirable qualifications for Committee members include experience in business management, executive compensation, employee benefits and human resources.

*Appointment.* The Board of Directors shall appoint the members and the Chairman of the Committee. Committee members shall serve at the pleasure of the Board of Directors and for such term or terms as the Board of Directors may determine.

**Duties and Responsibilities**

The Committee has the following duties and responsibilities:

1. Establish Executive Compensation Policies and Programs. The Committee shall develop and implement the Company's compensation policies and programs for executive officers.
2. Review and Approve Executive Officer Compensation. The Committee shall review and approve, at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the other executive officers of the Company. The Committee shall evaluate the performance of the executive

officers in light of those corporate goals and objectives, and set compensation levels for these executive officers based on those evaluations and any other factors as it deems appropriate. In addition, the Committee shall provide to the Nominating and Corporate Governance Committee of the Board of Directors such assistance as it may request in connection with its overall evaluation of the performance of the Chief Executive Officer.

3. Recommend Incentive Compensation Plans. The Committee shall make recommendations to the Board of Directors with respect to the approval, adoption and amendment of all incentive plans in which any executive officer of the Company participates. In determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to the chief executive officers of comparable companies and the awards given to the Company's Chief Executive Officer in past years.
4. Recommend Other Equity-Based Incentive Plans. The Committee shall make recommendations to the Board of Directors with respect to the approval, adoption and amendment of all other equity-based incentive plans.
5. Administer Compensation Plans. The Committee shall administer the Company's equity-based incentive and other plans as determined by the Board of Directors. The Committee shall approve all grants of stock options and other equity-based awards, subject to the terms and conditions of applicable plans. The Committee's administrative authority shall include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.
6. Oversee Regulatory Compliance. The Committee shall, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including without limitation overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
7. Review Employment Agreements and Severance Arrangements. The Committee shall review and approve any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. The Committee shall review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.
8. Review Director Compensation. The Committee shall periodically review director compensation in relation to other comparable companies and in light of such other factors as the Committee may deem appropriate and shall discuss this review with the Board of Directors. The Committee may also propose to the

Board of Directors for its consideration any changes with respect to the compensation of the members of the Board of Directors as the Committee deems appropriate.

9. Review Compensation Discussion and Analysis. The Committee shall review and discuss the Compensation Discussion and Analysis (“CD&A”) section of the proxy statement with any outside advisor the Committee deems appropriate and with management, including the Chief Executive Officer and Chief Financial Officer, and make a recommendation to the Board of Directors as to whether the CD&A be included in the Company’s annual report and proxy statement.
10. Make Board Reports. The Committee shall report its activities regularly to the Board of Directors in such manner and at such times as the Committee and the Board of Directors deem appropriate, but in no event less frequently than once each year.
11. Perform Other Duties and Have Other Responsibilities. The Committee shall perform any other duties and have any other responsibilities delegated to the Committee by the Board of Directors from time to time.

## **Meetings**

The Committee shall meet in person or telephonically as frequently as it may determine necessary to carry out its duties and responsibilities under this Charter. The Chairman of the Committee shall, in consultation with the other members of the Committee and the appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing agenda therefor and supervising the conduct thereof. Additionally, a majority of the Committee members may call a meeting of the Committee at any time, and any Committee member may submit items to be included in the agenda for, and may raise subjects that are not on the agenda at, any meeting. A majority of the number of Committee members selected by the Board of Directors shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company’s certificate of incorporation or bylaws, or this Charter. The Committee may also take any action permitted hereunder by unanimous written consent.

The Committee may request any officer or other employee of the Company or any representative of the Company’s legal counsel or other advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee and in no case may the Chief Executive Officer be present while the Committee is deliberating or voting on the compensation of the Chief Executive Officer. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter with respect to which such member’s participation is not appropriate, and such member’s absence shall not destroy the quorum for the meeting.

## Resources and Authority

The Committee shall have the appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding provided by the Company, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or other advisor retained by the Committee. The Committee shall have the sole authority to retain or obtain the advice of a compensation consultant, legal counsel or other advisor and the sole authority to approve the fees and other retention terms of such compensation consultants, legal counsel and other advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee.

In selecting, retaining or obtaining the advice of a compensation consultant, legal counsel or other advisor, the Committee shall first consider all factors relevant to that person's independence from management, including the following factors:

1. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
2. The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
3. The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
4. Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
5. Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
6. Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment for a compensation advisor that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

### **Compensation Committee Report**

The Committee shall prepare, with the assistance of management and any outside advisors the Committee deems appropriate, the Compensation Committee Report to be included in the proxy statement relating to each annual meeting of stockholders of the Company.

### **Annual Review of the Charter**

The Committee shall annually conduct, and review with the Board of Directors, an evaluation of the adequacy of this Charter and recommend to the Board of Directors such changes hereto as the Committee deems necessary, appropriate or desirable. The Committee may conduct this Charter review and evaluation in such manner as the Committee, in its business judgment, deems appropriate.

### **Annual Performance Evaluation**

The Committee shall annually conduct, and review with the Board of Directors, an evaluation of the Committee's performance with respect to the requirements of this Charter. The Committee may conduct this performance evaluation in such manner as the Committee, in its business judgment, deems appropriate.