

KAISER ALUMINUM CORP  
Form DEF 14A  
April 29, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:  
 Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12  
Kaiser Aluminum Corporation  
(Name of Registrant as Specified in Its Charter)  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Kaiser Aluminum Corporation  
27422 Portola Parkway, Suite 200  
Foothill Ranch, CA 92610-2831

April 26, 2013

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Kaiser Aluminum Corporation to be held at the company's corporate office, located at 27422 Portola Parkway, Suite 200, Foothill Ranch, California 92610 on Tuesday, June 4, 2013, at 9:00 a.m., local time.

During the Annual Meeting, stockholders will consider and vote upon (i) the election of three members to the board of directors, (ii) the approval, on a non-binding, advisory basis, of the compensation of our named executive officers, and (iii) the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm. The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe fully the formal business to be transacted at the Annual Meeting.

While the company does not expect to make a separate presentation, certain directors and officers will be present at the Annual Meeting and will be available to respond to any questions you may have.

Whether or not you plan to attend the Annual Meeting, we urge you to review carefully the accompanying material and to vote by proxy without delay. To do so, please submit your voting instructions over the Internet or by telephone as indicated on the enclosed proxy card or by completing, signing and dating the enclosed proxy card and returning it by mail in the accompanying envelope. If you attend the Annual Meeting, you may vote in person even if you have previously submitted your voting instructions over the Internet, by telephone or by mail.

Sincerely,

Jack A. Hockema  
President, Chief Executive Officer and  
Chairman of the Board



Kaiser Aluminum Corporation  
27422 Portola Parkway, Suite 200  
Foothill Ranch, CA 92610-2831

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 4, 2013

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Kaiser Aluminum Corporation will be held at the company's corporate office, located at 27422 Portola Parkway, Suite 200, Foothill Ranch, California 92610 on Tuesday, June 4, 2013, at 9:00 a.m., local time, for the following purposes:

- (1) To elect three members to our board of directors for three-year terms to expire at our 2016 annual meeting of stockholders;
- (2) To approve, on a non-binding, advisory basis, the compensation of our named executives officers as disclosed in this Proxy Statement;
- (3) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013; and
- (4) To consider such other business as may properly come before the Annual Meeting or any adjournments thereof.

Information concerning the matters to be acted upon at the Annual Meeting is set forth in the accompanying Proxy Statement.

The close of business on April 12, 2013 has been fixed as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof.

We urge stockholders to vote by proxy by submitting voting instructions over the Internet or by telephone as indicated on the enclosed proxy card or by completing, signing and dating the enclosed proxy card and returning it by mail in the accompanying envelope, which does not require postage if mailed in the United States.

By Order of the Board of Directors

John M. Donnan  
Executive Vice President - Legal,  
Compliance and Human Resources

April 26, 2013  
Foothill Ranch, California



Kaiser Aluminum Corporation  
 27422 Portola Parkway, Suite 200  
 Foothill Ranch, CA 92610-2831

PROXY STATEMENT  
 FOR  
 ANNUAL MEETING OF STOCKHOLDERS  
 To Be Held On June 4, 2013

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 4, 2013: The Proxy Statement and our Annual Report to Stockholders are available at <a href="http://www.envisionreports.com/kalu">www.envisionreports.com/kalu</a> .	

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GENERAL QUESTIONS AND ANSWERS

Q: When is the Proxy Statement being sent to stockholders and what is its purpose?

A: This Proxy Statement is first being sent to our stockholders on or about May 6, 2013 at the direction of our board of directors in order to solicit proxies for our use at the Annual Meeting.

Q: When is the Annual Meeting and where will it be held?

A: The Annual Meeting will be held on Tuesday, June 4, 2013, at 9:00 a.m., local time, at our corporate office, located at 27422 Portola Parkway, Suite 200, Foothill Ranch, California 92610.

Q: Who may attend the Annual Meeting?

A: All of our stockholders may attend the Annual Meeting.

Q: Who is entitled to vote?

A: Stockholders as of the close of business on April 12, 2013 are entitled to vote at the Annual Meeting. Each share of our common stock is entitled to one vote.

Q: On what am I voting?

A: You will be voting on:

• The election of three members to our board of directors to serve until our 2016 annual meeting of stockholders;

• The approval, on a non-binding, advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement;

• The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013; and

• Such other business as may properly come before the Annual Meeting or any adjournments.

Q: How does the board of directors recommend that I vote?

A: The board of directors recommends that you vote your shares:

• “FOR ALL” the director nominees identified in “Proposals Requiring Your Vote - Proposal for Election of Directors” below;

• “FOR” the approval of the compensation of our named executive officers as disclosed in this Proxy Statement; and

• “FOR” the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013.

Q: How can I vote?



A: You can vote in person at the Annual Meeting or you can vote prior to the Annual Meeting by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy without delay.

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Q: How do I vote by proxy?

A: If you choose to vote your shares by proxy, you have the following options:

Over the Internet: You can vote over the Internet at the website shown on your proxy card. Internet voting will be available 24 hours a day, seven days a week, until 11:59 p.m., Eastern Time, on Monday June 3, 2013.

By telephone: You can vote by telephone by calling the toll-free number shown on your proxy card. Telephone voting will be available 24 hours a day, seven days a week, until 11:59 p.m., Eastern Time, on Monday, June 3, 2013.

By mail: You can vote by mail by completing, signing and dating your proxy card and returning it in the enclosed prepaid envelope.

Q: I want to attend the Annual Meeting and vote in person. How do I obtain directions to the Annual Meeting?

A: You may obtain directions to the Annual Meeting by calling us at (949) 614-1740.

Q: What constitutes a quorum?

As of April 12, 2013, the record date, 19,002,504 shares of our common stock were issued and outstanding. A majority of these shares present or represented by proxy will constitute a quorum for the transaction of business at the Annual Meeting. If you properly vote by proxy by submitting your voting instructions over the Internet, by telephone or by mail, then your shares will be counted as part of the quorum. Abstentions or votes that are withheld on any matter will be counted towards a quorum but will be excluded from the vote relating to the particular matter under consideration. Broker non-votes are counted towards a quorum but are excluded from the vote with respect to the matters for which they are applicable. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner. Among our proposals, brokers will have discretionary voting power only with respect to the proposal to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013.

Q: What are the voting requirements for the proposals?

A: There are different voting requirements for the proposals.

Directors will be elected by a plurality vote of all votes cast for the election of directors at the Annual Meeting. Accordingly, the three nominees receiving the highest number of votes will be elected. If you withhold authority to vote for any particular director nominee, your shares will not be counted in the vote for that nominee and will have no effect on the outcome of the vote.

The approval of the holders of a majority of the total number of outstanding shares of our common stock present in person or represented by proxy at the Annual Meeting and actually voted on the proposal is necessary (1) to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement, and (2) to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013. If you abstain from voting on the proposal to approve the compensation of our named executive officers as disclosed in this Proxy Statement, the proposal to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013, or both proposals, your shares will not be counted in the vote for such proposal(s) and will have no effect on the outcome of the vote.

Q: If my shares are held in “street name” by my broker, will my broker vote my shares for me?

A: As discussed above, among our proposals, brokers will have discretionary voting power only with respect to the proposal to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013. To be sure your shares are voted, you should instruct your broker to vote your shares using the instructions provided by your broker.

Q: What will happen if the compensation of the company's named executive officers is not approved by the stockholders?

A: Because this is an advisory vote, our board of directors and compensation committee will not be bound by the approval of, or the failure to approve, the executive compensation of our named executive officers as disclosed in this Proxy Statement. The board of directors and the compensation committee, however, value the opinions that our stockholders express in their votes and will consider the outcome of the vote when determining future executive compensation programs.

Q: What will happen if the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013 is not ratified by stockholders?

A: Pursuant to the audit committee charter, the audit committee of our board of directors has sole authority to appoint our independent registered public accounting firm, and the audit committee will not be bound by the ratification of, or failure to ratify, the selection of Deloitte & Touche LLP. The audit committee will, however, consider any failure to ratify the selection of Deloitte & Touche LLP in connection with the appointment of our independent registered public accounting firm the following year.

Q: Can I change my vote after I give my proxy?

A: Yes. If you vote by proxy, you can revoke that proxy at any time before voting takes place at the Annual Meeting. You may revoke your proxy by:

- voting again over the Internet or by telephone no later than 11:59 p.m., Eastern Time, on Monday, June 3, 2013;
- submitting a properly signed proxy card with a later date;
- delivering, no later than 5:00 p.m., Eastern Time, on Monday, June 3, 2013, written notice of revocation to our Secretary, c/o Computershare, P.O. Box 43126, Providence, Rhode Island 02940-5138; or
- attending the Annual Meeting and voting in person.

Your attendance alone will not revoke your proxy. To change your vote, you must also vote in person at the Annual Meeting. If you instruct a broker to vote your shares, you must follow your broker's directions for changing those instructions.

Q: What does it mean if I receive more than one proxy card?

A: If you receive more than one proxy card, it is because your shares are held in more than one account. You must vote each proxy card to ensure that all of your shares are voted at the Annual Meeting.

Q: Who will count the votes?

A: Representatives of Computershare, our transfer agent, will tabulate the votes and act as inspectors of election.

Q: How much will this proxy solicitation cost?

A: We have hired MacKenzie Partners, Inc. to assist us in the distribution of proxy materials and solicitation of votes at a cost not to exceed \$4,500, plus out-of-pocket expenses. We will reimburse brokerage firms and other

custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to the owners of our common stock. Our officers and regular employees may also solicit proxies, but they will not be specifically compensated for these services. In addition to the use of the mail, proxies may be solicited personally or by telephone by our employees or by MacKenzie Partners.

## PROPOSALS REQUIRING YOUR VOTE

### Proposal for Election of Directors

#### General

Our board of directors currently has 10 members, consisting of our President and Chief Executive Officer and nine independent directors. Our current directors are:

Carolyn Bartholomew	William F. Murdy
David Foster	Alfred E. Osborne, Jr., Ph.D.
Jack A. Hockema	Jack Quinn
Teresa A. Hopp	Thomas M. Van Leeuwen
Lauralee E. Martin	Brett E. Wilcox

Mr. Hockema, our President and Chief Executive Officer, serves as our Chairman of the Board, and Dr. Osborne serves as our Lead Independent Director.

Our certificate of incorporation and bylaws provide for a classified board of directors consisting of three classes. The term of the Class I directors expires at this year's annual meeting of stockholders; the term of the Class II directors will expire at the 2014 annual meeting of stockholders; and the term of the Class III directors will expire at the 2015 annual meeting of stockholders.

The nominating and corporate governance committee of our board of directors has recommended, and our board of directors has approved, the nomination of the three nominees listed below. The nominees have indicated their willingness to serve as members of the board of directors if elected; however, in case any nominee becomes unavailable for election to the board of directors for any reason not presently known or contemplated, the proxy holders have discretionary authority to vote proxies for a substitute nominee. Proxies cannot be voted for more than three nominees.

The board of directors recommends a vote "FOR" each of the persons nominated by the board of directors.

#### Nominees for Class I Directors

Set forth below is information about the Class I director nominees, including their ages, present principal occupations, other business experiences, directorships in other public companies, membership on committees of our board of directors, and reasons why each individual nominee's specific experience, qualifications, attributes or skills led the nominating and corporate governance committee to recommend and our board of directors to conclude that the nominee should serve as a director of the company.

Alfred E. Osborne, Jr., Ph.D., 68, has served as a director of Kaiser since July 2006. Dr. Osborne has been the Senior Associate Dean at the UCLA Anderson School of Management since July 2003 and a Professor of Global Economics and Management since July 2008. Dr. Osborne was an Associate Professor of Global Economics and Management from July 1978 to June 2008. From July 1987 to June 2003, Dr. Osborne served as the Director of the Harold and Pauline Price Center for Entrepreneurial Studies at the UCLA Anderson School of Management. Dr. Osborne has served on the board of directors of Heckmann Corporation, an environmental services company, since August 2007,

of First Pacific Advisor's New Income Fund, Capital Fund and Crescent Fund since December 1999, and of Wedbush, Inc., a financial services and investment firm, since January 1998. Dr. Osborne also served on the board of directors of EMAK Worldwide, Inc. from December 2000 to June 2008, of K2, Inc. from February 1999 to August 2007 and of Nordstrom, Inc. from August 1987 to May 2006. He holds a Doctorate degree in Business Economics, a Master's degree in Business Administration, a Master of Arts degree in Economics and a Bachelor's degree in Electrical Engineering from Stanford University. Dr. Osborne serves on the audit and nominating and corporate governance committees of our board of directors and is our Lead Independent Director. Dr. Osborne has served on many boards and board committees of public companies and investment funds over a more than 20-year period. During that time, Dr. Osborne worked extensively on the development of board and director best practices, as well as director training and

governance programs sponsored by the UCLA Anderson School of Management. Dr. Osborne was one of the original directors selected by a search committee consisting of our creditors (referred to herein as the “search committee”) to serve as an initial director of our company upon our emergence from chapter 11 bankruptcy in 2006 and was selected because of his public company experience and governance background. During his service on our board of directors, Dr. Osborne has gained an understanding of our company and the environment in which we operate. Dr. Osborne's experience as a director of public companies, as a member of various board committees of public companies, and as an educator in the fields of business management and corporate governance allow him to draw on his experience and offer guidance to our board of directors and management on issues that affect our company, including governance and board best practices.

Jack Quinn, 62, has served as a director of Kaiser since July 2006. Mr. Quinn has been the president of Erie Community College in Buffalo, New York since April 2008. Mr. Quinn was the President of Cassidy & Associates, a government relations firm which assists clients promoting policy and appropriations objectives in Washington, D.C. with a focus on transportation, aviation, railroad, highway, infrastructure, corporate and industry clients, from January 2005 to March 2008. From January 1993 to January 2005, Mr. Quinn served as a United States Congressman for the state of New York. While in Congress, Mr. Quinn was Chairman of the Transportation and Infrastructure Subcommittee on Railroads. He was also a senior member of the Transportation Subcommittees on Aviation, Highways and Mass Transit. In addition, Mr. Quinn was Chairman of the Executive Committee in the Congressional Steel Caucus. Prior to his election to Congress, Mr. Quinn served as supervisor of the town of Hamburg, New York. Mr. Quinn has served as a trustee of the AFL-CIO Housing Investment Trust since 2005. Mr. Quinn received a Bachelor's degree from Siena College in Loudonville, New York, and a Master's degree from the State University of New York, Buffalo. Mr. Quinn serves on the compensation and nominating and corporate governance committees of our board of directors. Mr. Quinn was selected by the search committee to serve as an initial director of our company upon our emergence from chapter 11 bankruptcy in 2006 because of his background and experience in Washington, D.C. Mr. Quinn was designated by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (referred to herein as the “USW”) as a director candidate in connection with the search process, and pursuant to the terms of the Director Designation Agreement described below, Mr. Quinn was designated by the USW as a director candidate in connection with our 2007 and 2010 annual meetings of stockholders and again in 2013 in connection with the upcoming Annual Meeting. During his service on our board of directors, Mr. Quinn has gained an understanding of our company and the environment in which we operate. Mr. Quinn's experience in Washington, D.C., including as a U.S. Congressman, and his working relationship with the USW allow him to offer guidance and insight to our board of directors and management regarding government relations, policy and appropriations for defense and other government funded programs that utilize our products and labor relations.

Thomas M. Van Leeuwen, 56, has served as a director of Kaiser since July 2006. Mr. Van Leeuwen served as a Director - Senior Equity Research Analyst for Deutsche Bank Securities Inc. from March 2001 until his retirement in May 2002. Prior to that, Mr. Van Leeuwen served as a Director - Senior Equity Research Analyst for Credit Suisse First Boston from May 1993 to November 2000. Prior to that time, Mr. Van Leeuwen was First Vice President of Equity Research with Lehman Brothers, and Mr. Van Leeuwen held the positions of research analyst with Sanford C. Bernstein & Co., Inc. and systems analyst with The Procter & Gamble Company. Mr. Van Leeuwen holds a Master's degree in Business Administration from the Harvard Business School and a Bachelor of Science degree in Operations Research and Industrial Engineering from Cornell University. Mr. Van Leeuwen is also a Chartered Financial Analyst. Mr. Van Leeuwen serves on the audit, compensation and nominating and corporate governance committees of our board of directors. Mr. Van Leeuwen was selected by the search committee to serve as an initial director of our company upon our emergence from chapter 11 bankruptcy in 2006 because of his experience working with investment banks, including as an analyst in the aluminum industry. Mr. Van Leeuwen's experience as an equity research analyst and service as a director of our company since 2006 allow him to provide guidance and insight to our board of directors and management with respect to financial analyses of our company, whether generated internally or



externally, as well as other financial issues, and with respect to the investment community's understanding of our company.

#### Continuing Directors

Set forth below is information about our continuing directors, including their ages, present principal occupations, other business experiences, directorships in other public companies, membership on committees of our board of directors, and reasons why each individual director's specific experience, qualifications, attributes or skills led our board of directors to conclude that the director should serve on our board of directors.

#### Class II Directors

Carolyn Bartholomew, 55, has served as a director of Kaiser since June 2007. Ms. Bartholomew has served as Commissioner of the U.S.-China Economic and Security Review Commission since April 2003. She also served as its Vice Chairman from January 2006 to December 2006, January 2008 to December 2008 and January 2010 to December 2010 and its

Chairman from January 2007 to December 2007 and January 2009 to December 2009. In addition, since October 2012, Ms. Bartholomew has also served as Vice President - Development and Corporate Initiatives of the Blue Green Alliance, a partnership between labor unions and environmental organizations formed to increase support for building a more efficient and more competitive sustainable American clean economy. In such role, she develops strategies for funding and initiatives to create and strengthen relationships between business and the labor and environmental communities on issues of shared interest. She is also a Visiting Professor at Antioch University New England. Since 2008, Ms. Bartholomew has consulted for other non-profit organizations, including the Education Development Center, where she has worked on the development of strategy and policy issues. She was the Executive Director of the Basic Education Coalition, a non-profit organization that works to raise public and private support for basic education for children in the United States and abroad, from July 2004 to August 2008. From August 1987 to April 2003, Ms. Bartholomew served as Legislative Director, District Director and Chief of Staff to Congresswoman Nancy Pelosi. Ms. Bartholomew graduated cum laude with a Bachelor of Arts degree in anthropology from the University of Minnesota. She also holds a Master of Arts degree in anthropology from Duke University and a Juris Doctorate from Georgetown University. Ms. Bartholomew serves on the audit and nominating and corporate governance committees of our board of directors. Pursuant to the terms of the Director Designation Agreement, Ms. Bartholomew was designated by the USW to fill a vacancy on our board of directors in 2007, and Ms. Bartholomew was designated by the USW as a director candidate in connection with our 2008 and 2011 annual meetings of stockholders. Ms. Bartholomew's experience in Washington, D.C., and with the U.S.-China Economic and Security Review Commission and the Blue Green Alliance, allow her to provide guidance and insight to our board of directors and management regarding government relations, policy and appropriations for defense and other government funded programs that utilize our products, and our efforts to expand into Chinese markets and effectively compete with Chinese manufacturers, as well as environmental, regulatory and labor initiatives potentially impacting U.S.-based manufacturers.

Jack A. Hockema, our President and Chief Executive Officer, serves as Chairman of the Board and serves on the executive committee of our board of directors. For information as to Mr. Hockema, see "Executive Officers" below. Mr. Hockema's substantial experience with our company and in the metals industry allows him to provide a unique perspective to our board of directors regarding our business and strategic direction for our company.

Lauralee E. Martin, 62, has served as a director of Kaiser since September 2010. Ms. Martin has served as Chief Executive Officer, Americas of Jones Lang LaSalle, a global real estate services firm, since January 2013. Prior to being appointed Chief Executive Officer, Americas, Ms. Martin served as Chief Operating and Financial Officer of Jones Lang LaSalle from October 2005 to December 2012 and Executive Vice President and Chief Financial Officer from January 2002 to October 2005. She served as Executive Vice President and Chief Financial Officer of Heller Financial, Inc., a commercial finance company with international operations, from May 1996 to November 2001. Ms. Martin had previously held the positions of Senior Group President, responsible for Heller Financial's Real Estate, Equipment Financing, and Small Business Lending groups, and President of its Real Estate group. Prior to joining Heller Financial in 1986, Ms. Martin held certain senior management positions with General Electric Credit Corporation. Ms. Martin is a member of the board of directors and the Global Executive Committee of Jones Lang LaSalle and chairs its Global Operating Committee. She is also a member of the board of directors and the audit committee of HCP, Inc., a real estate investment trust focusing on properties serving the healthcare industry. She was a member of the board of directors of each of Key Corp, a bank holding company, from December 2003 to November 2010, Gables Residential Trust, a real estate investment trust, from 1994 to 2005 and Heller Financial from May 1991 to July 1998. She received a Bachelor's degree from Oregon State University and holds a Master's degree in Business Administration from the University of Connecticut. Ms. Martin serves on the audit and compensation committees of our board of directors. Having served as both the chief financial officer and the head of the real estate lending group at Heller Financial and having served as the chief operating and financial officer for Jones Lang LaSalle for more than six and 11 years, respectively, as well as now being the Chief Executive Officer, Americas of Jones Lang LaSalle, Ms. Martin has significant experience in all aspects of corporate financial and operational matters, including the

oversight of complex financial, accounting and corporate infrastructure functions. Her service as a member of the boards of directors of two real estate investment trusts and a major bank holding company have reinforced those qualifications and also have deepened her expertise in corporate governance and matters relating to the Sarbanes-Oxley Act of 2002. Ms. Martin also has a deep foundation in evaluating acquisition opportunities, managing banking relationships and investor relations. Ms. Martin's experience and background, qualification as an audit committee financial expert, and understanding of our company's financial statements allow her to provide guidance and insight to our board of directors and management regarding business, strategic, accounting and financial issues.

Brett E. Wilcox, 59, has served as a director of Kaiser since July 2006. Mr. Wilcox has been an active investor in, on the board of directors of, or an executive consultant for, a number of metals and energy companies since 2005. From June 2005 to December 2011, Mr. Wilcox served as Chief Executive Officer of Summit Power Alternative Resources where he managed the development of wind generation and new energy technologies. From 1986 to 2005, Mr. Wilcox served as Chief Executive Officer of Golden Northwest Aluminum Company and its predecessors. Golden Northwest Aluminum Company and certain of its subsidiaries filed for bankruptcy in December 2003, while Mr. Wilcox served as its Chief Executive Officer. Mr. Wilcox has

also served as: Executive Director of Direct Services Industries, Inc., a trade association of large aluminum and other energy-intensive companies; an attorney with Preston, Ellis & Gates in Seattle, Washington; Vice Chairman of the Oregon Progress Board; Chairman of the Oregon Economic and Community Development Commission; a member of the Oregon Governor's Comprehensive Review of the Northwest Regional Power System; and a member of the Oregon Governor's Task Forces on structure and efficiency of state government, employee benefits and compensation, and government performance and accountability. Mr. Wilcox received a Bachelor's degree from the Woodrow Wilson School of Public and International Affairs at Princeton University and a Juris Doctorate from Stanford Law School. Mr. Wilcox serves on the executive, audit and compensation committees of our board of directors. Mr. Wilcox was selected by the search committee to serve as an initial director of our company upon our emergence from chapter 11 bankruptcy in 2006 because of his business and financial background and experience, including his experience as the Chief Executive Officer of Golden Northwest Aluminum Company and its predecessors, his experience working successfully with the USW and his experience in the power industries, and because of his qualification as an audit committee financial expert. Mr. Wilcox was designated by the USW as a director candidate in connection with the search process, and, pursuant to the terms of the Director Designation Agreement, Mr. Wilcox was designated by the USW as a director candidate in connection with our 2008 and 2011 annual meetings of stockholders. Mr. Wilcox's experience as a chief executive officer, his financial expertise and his working relationship with the USW allow him to offer guidance and insight to our board of directors and management on business, finance, strategic and labor issues.

#### Class III Directors

David Foster, 65, has served as a director of Kaiser since June 2009. Mr. Foster has been the executive director of Blue Green Alliance, a strategic national partnership between labor unions and environmental organizations to expand the job-creating potential of the green economy and improve the rights of workers at home and around the world, since June 2006. Prior to joining Blue Green Alliance, he was a director of the USW for District #11 from March 1990 to February 2006. Mr. Foster has been an adjunct faculty member of the University of Minnesota since January 2003. Mr. Foster has also been a member of the board of directors of Evraz North America, d/b/a Oregon Steel Manufacturing, a subsidiary of Evraz, a global steel company, since June 2006. Mr. Foster holds a Bachelor of Arts degree in English from Reed College. Mr. Foster serves on the audit and the nominating and corporate governance committees of our board of directors. Pursuant to the terms of the Director Designation Agreement, Mr. Foster was designated by the USW as a director candidate in connection with our 2009 and 2012 annual meetings of stockholders. However, his experience with our company exceeds 16 years and includes his role as the primary USW negotiator of our master labor agreement with the USW. Mr. Foster was also extensively involved in our chapter 11 bankruptcy representing the USW and hourly employees in negotiations with our creditors through our emergence in 2006. Mr. Foster's extensive labor experience representing the USW and, more recently, his experience with the Blue Green Alliance allow him to provide guidance and insight to our board and management regarding labor relations, including with the USW, relations with our hourly workforce, the impact of environmental and regulatory initiatives on US based manufacturers and sustainability.

Teresa A. Hopp, 53, has served as a director of Kaiser and chair of the audit committee since July 2006. Prior to Ms. Hopp's retirement, she was the Chief Financial Officer for Western Digital Corporation, a hard disk drive manufacturer, from January 2000 to October 2001 and its Vice President, Finance from September 1998 to December 1999. Prior to her employment with Western Digital Corporation, Ms. Hopp was with Ernst & Young LLP from 1981 where she served as an audit partner for four years. During her tenure at Ernst & Young LLP, she managed audit department resource planning and scheduling and served as internal education director and information systems audit and security director. Ms. Hopp also served on the board of directors of On Assignment, Inc. from June 2003 to December 2007 and as its audit committee chair. She graduated summa cum laude from California State University, Fullerton, with a Bachelor's degree in Business Administration. Ms. Hopp serves on the executive and audit committees of our board of directors. Ms. Hopp was selected by the search committee to serve as an initial director of

our company upon our emergence from chapter 11 bankruptcy in 2006 because of her accounting and finance experience and background, including her prior experience with Ernst & Young, and because of her prior experience as a board member and audit committee chair. Ms. Hopp's experience and background, qualification as an audit committee financial expert, experience as a director of our company and chair of the audit committee of our board of directors since 2006, and understanding of our company's financial statements allow her to provide guidance and insight to our board of directors and management regarding accounting and financial issues.

William F. Murdy, 71, has served as a director of Kaiser and chair of the compensation committee since July 2006. Mr. Murdy has been the Chairman of Comfort Systems USA, a commercial heating, ventilation and air conditioning construction and service company, since June 2000 and served as its Chief Executive Officer from June 2000 to December 2011. Mr. Murdy previously served as President and Chief Executive Officer of Club Quarters, and Chairman, President and Chief Executive Officer of Landcare USA, Inc. Mr. Murdy has also served as President and Chief Executive Officer of General Investment & Development, and as President and Managing General Partner with Morgan Stanley Venture Capital, Inc. He previously served as Senior Vice President and Chief Operating Officer of Pacific Resources, Inc. Mr. Murdy has served on the board of directors

of Comfort Systems USA since 2000 and UIL Holdings Corp., a diversified energy delivery company, since 2003. He holds a Bachelor of Science degree in Engineering from the U.S. Military Academy, West Point, and a Master's degree in Business Administration from the Harvard Business School. Mr. Murdy serves on the compensation and nominating and corporate governance committees of our board of directors. Mr. Murdy was selected by the search committee to serve as an initial director of our company upon our emergence from chapter 11 bankruptcy in 2006 because of his business experience and background, including his experience as a chief executive officer, board member and compensation committee member. Mr. Murdy's background and experience, including his experience as a director of our company and chair of the compensation committee of our board of directors since 2006, and his understanding of our compensation programs and their history allow him to provide guidance and insight to our board of directors and management on financial, strategic and compensation issues.

#### Proposal for Advisory Vote on Executive Compensation

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, and Section 14A of the Securities Exchange Act of 1934, we are asking stockholders to vote on a non-binding, advisory resolution regarding executive compensation. Our board of directors has adopted a policy to hold annual advisory votes on executive compensation until the next advisory vote on the frequency of stockholder votes on executive compensation at the 2017 annual meeting of stockholders, or until our board of directors determines to hold such advisory vote at a different frequency. The vote is not intended to address any specific component of our executive compensation program, but rather the overall compensation of our named executive officers as described in this Proxy Statement. The text of the resolution is as follows:

RESOLVED, that the compensation paid to the named executive officers of Kaiser Aluminum Corporation, as described in the proxy statement for the company's 2013 annual meeting of stockholders pursuant to Item 402 of SEC Regulation S-K (which disclosure includes the "Executive Compensation - Compensation Discussion and Analysis" section and the Summary Compensation Table and other compensation tables and related narrative discussion within the "Executive Compensation" section), is hereby APPROVED.

As described in further detail in the "Executive Compensation - Compensation Discussion and Analysis" section of this Proxy Statement, or CD&A, our compensation structure was developed and designed to:

- align the interest of our named executive officers and stockholders by tying a significant portion of compensation to enhancing stockholder return;
- attract, motivate and retain highly experienced executives vital to our short-term and long-term success, profitability and growth;
- deliver a mix of fixed and at-risk compensation with the portion of compensation at risk increasing with seniority; and
- tie our executive compensation to our ability to pay and safety performance.

The compensation of our named executive officers is targeted at the 50<sup>th</sup> to 65<sup>th</sup> percentile of our compensation peer group and consists primarily of the following components:

- a base salary targeted at the 50<sup>th</sup> percentile of our compensation peer group (1) compensating each named executive officer based on the level of responsibility, individual expertise and prior experience and (2) providing a fixed amount of cash compensation upon which our named executive officers can rely;
- a short-term annual cash incentive targeted at the 50<sup>th</sup> percentile of our compensation peer group (1) payable only if our company achieves a threshold performance level measured by economic value added, or EVA, measured by the

adjusted pre-tax operating income, or PTOI, of our core Fabricated Products business, including corporate expenses, less a capital charge calculated as a percentage of our adjusted net assets, as more fully described below, and (2) adjusted based on our safety performance using our total case incident rate, or TCIR, and individual performance; and

an equity-based, long-term incentive targeted at between the 50<sup>th</sup> and 65<sup>th</sup> percentile of our compensation peer group and designed to align compensation with the interests of our stockholders and to enhance retention of our named executive officers consisting of (1) restricted stock with three-year cliff vesting and (2) performance shares that vest, if at all, based on the average annual EVA (which is also measured by the adjusted PTOI of our Fabricated Products business, including corporate expenses, less a capital charge calculated as a percentage of our adjusted net assets, as more fully described below) achieved during a three-year performance period.

We no longer maintain a defined benefit pension plan or retiree medical program that covers members of senior management. Retirement benefits to our senior management, including our named executive officers, are provided through a defined contribution retirement program consisting of a 401(k) plan (which we refer to as our Savings Plan) and a nonqualified and unsecured deferred compensation plan intended to restore benefits that would be payable to designated participants but for the limitations on benefit accruals and payments imposed by the Internal Revenue Code of 1986 (which we refer to as our Restoration Plan).

We do not view perquisites as a significant element of our compensation structure and our use of perquisites as an element of compensation is very limited and largely based on business-related needs.

For 2012, approximately 75% of our chief executive officer's target total compensation, and approximately 67% to 81% of the target total compensation of our other named executive officers, consisted of at-risk compensation, which we define as compensation that either (1) will be realized, if at all, only if certain financial performance levels are achieved as in the case of our annual short-term incentive and the portion of our long-term incentive consisting of performance shares or (2) is substantially impacted by the overall performance of the company as in the case of the portion of our long-term incentive compensation consisting of restricted stock.

As previously noted, we use EVA measured by the adjusted PTOI of our Fabricated Products business, including corporate expenses, less a capital charge calculated as a percentage of our adjusted net assets and TCIR as the performance measures to determine our annual short-term incentive. We also use adjusted PTOI of our Fabricated Products business to determine the number of performance shares, if any, vesting at the end of the three-year performance period under our long-term incentive compensation program. The capital charges used are 7.5% and 10.0% of our adjusted net assets, respectively. In each case, adjusted PTOI must equal or exceed the capital charge before any portion of the target incentives is earned.

EVA used for purposes of our annual short-term incentive and the determination of the number of performance shares, if any, vesting under our long-term incentive compensation program is the same with the exception of (1) the use of a higher capital charge in connection with the long-term incentive to reflect the higher threshold level of performance we believe should be required after considering the use of time-based restricted shares and (2) the use of the average annual performance over a three-year performance period in connection with the long-term incentive. In addition, our long-term incentive does not include safety or individual modifiers. We use PTOI to help us measure the return on net assets employed in our business, and we believe this structure is an appropriate measure of the creation of short- and long-term shareholder value to use in our incentive programs.

TCIR is the average number of work-related injuries incurred by 100 workers during a one-year period and is used to measure our safety performance. Workplace safety is important to us; thus, we believe it is appropriate to include safety as a measure of our corporate performance and as an element of our compensation program.

Our compensation structure is supported by our corporate governance practices, which further align the interests of senior management and our stockholders by the use of:

stock ownership guidelines that require our chief executive officer to own company stock equal in value to at least six times his annual base salary and each of the direct reports to the chief executive officer, including each of the other named executive officers and other members of senior management, to hold company stock equal in value to at least three times their annual base salary;

three-year vesting and performance periods for our restricted stock and performance shares granted to our named executive officers and other members of senior management, to ensure that three years of unvested grants are outstanding at any time, which increases retention and encourages decisions that create long-term value;



compensation recovery, or “clawback,” provisions that can result in the loss of (i) equity-based awards and resulting benefits and (ii) any cash award received under our short-term cash incentive plan, if we determine that a recipient, including any of the named executive officers, has engaged in activities detrimental to us; and

a securities trading policy that prohibits members of management, including our named executive officers, from engaging in speculative transactions involving our securities, including buying or selling puts or calls, short sales, buying on margin or holding our securities in a margin account.

In April 2013, our board of directors amended and restated our equity plan to prohibit the purchase for cash of "underwater" options or appreciation rights without shareholder approval.

We urge our stockholders to review our CD&A which describes our compensation philosophy and programs in detail and to approve the compensation of our named executive officers. While this vote on executive compensation is non-binding and solely advisory in nature, our board of directors and the compensation committee value the opinions that our stockholders express in their votes and will consider the outcome of the vote when determining future executive compensation programs.

The board of directors recommends a vote "FOR" the approval of the compensation of our named executive officers as disclosed in this Proxy Statement.

#### Proposal for Ratification of the Selection of our Independent Registered Public Accounting Firm

Pursuant to the audit committee charter, the audit committee has the sole authority to retain an independent registered public accounting firm for our company. The board of directors requests that the stockholders ratify the audit committee's selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013.

The audit committee will not be bound by the ratification of, or failure to ratify, the selection of Deloitte & Touche LLP, but the audit committee will consider any failure to ratify the selection of Deloitte & Touche LLP in connection with the appointment of our independent registered public accounting firm for 2014.

The board of directors recommends a vote "FOR" the ratification of the audit committee's selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2013.



## CORPORATE GOVERNANCE

Our board of directors is responsible for providing effective governance over the affairs of our company. Our corporate governance practices are designed to align the interests of the board of directors and management with those of our stockholders and to promote honesty and integrity throughout the company. Highlights of our corporate governance practices are described below.

A copy of the current charter, as approved by our board of directors, for each of the executive committee, audit committee, compensation committee and nominating and corporate governance committee and a copy of our corporate governance guidelines and code of business conduct and ethics, which applies to all of our employees, including our executive officers, are available on our website at [www.kaiseraluminum.com](http://www.kaiseraluminum.com) under “Investor Relations - Corporate Governance.” Copies are also available to stockholders upon request from our Corporate Communications Department, Kaiser Aluminum Corporation, 27422 Portola Parkway, Suite 200, Foothill Ranch, CA 92610-2831. Furthermore, we will post any amendments to our Code of Business Conduct and Ethics, or waivers of the Code for our directors or executive officers, on our website at [www.kaiseraluminum.com](http://www.kaiseraluminum.com) under “Investor Relations - Corporate Governance.”

### Stockholder Communications with the Board of Directors

Stockholders may communicate with our board of directors as a group or with the chair of the executive committee, audit committee, compensation committee or nominating and corporate governance committee by sending an email to [boardofdirectors@kaiseraluminum.com](mailto:boardofdirectors@kaiseraluminum.com), [execchair@kaiseraluminum.com](mailto:execchair@kaiseraluminum.com), [auditchair@kaiseraluminum.com](mailto:auditchair@kaiseraluminum.com), [compchair@kaiseraluminum.com](mailto:compchair@kaiseraluminum.com), or [nominatingchair@kaiseraluminum.com](mailto:nominatingchair@kaiseraluminum.com), respectively, or by writing to such group or person at Kaiser Aluminum Corporation, Attn: Corporate Secretary (Board of Directors), 27422 Portola Parkway, Suite 200, Foothill Ranch, California 92610-2831. Communications that are intended specifically for any other group of directors or for any individual director, such as the independent directors as a group or the Lead Independent Director, should be sent to the attention of our corporate secretary at the address above or via email to [corpsecretary@kaiseraluminum.com](mailto:corpsecretary@kaiseraluminum.com) and should clearly state the individual director or group of directors that is the intended recipient of the communication.

Our corporate secretary will review each communication and determine whether or not the communication is appropriate for delivery. Communications that, in the judgment of our corporate secretary, are clearly of a marketing nature, that advocate that our company engage in illegal activity, that do not reasonably relate to our company or our business or that are similarly inappropriate will not be furnished to the intended recipient. If, in the judgment of the corporate secretary, any communication pertains to an accounting matter, it will be forwarded to our compliance officer.

Communications that, in the judgment of our corporate secretary, are appropriate for delivery will, unless requiring immediate attention, be assembled and delivered to the intended recipients on a periodic basis, generally at or in advance of each regularly scheduled meeting of our board of directors. Any communication that, in the judgment of our corporate secretary, requires immediate attention will be promptly delivered. In no case will the corporate secretary provide anyone but a member of our board of directors with access to any such communication, except as noted above with respect to communications pertaining to accounting matters.

### Board and Committee Meetings and Consents in 2012

During 2012, our board of directors held seven meetings and acted by unanimous written consent four times. In addition to meetings of the full board of directors, directors attended meetings of board of directors committees. Each incumbent director attended at least 75% of the aggregate number of meetings that the full board of directors held

during the period he or she was a director in 2012 and that each committee on which he or she served held during the period he or she served on such committee in 2012.

#### Annual Meetings of Stockholders

Members of our board of directors are expected to make reasonable efforts to attend our annual meetings of stockholders. All directors then serving attended our 2012 annual meeting of stockholders.

#### Director Independence

Our corporate governance guidelines require that a majority of the members of our board of directors satisfy the independence requirements set forth in the rules of the NASDAQ Stock Market LLC. We refer to these requirements as the general independence criteria. Additionally, the audit committee charter, compensation committee charter and nominating and

corporate governance committee charter require that all respective committee members satisfy the general independence criteria. There are no family relationships among our officers or directors.

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that each of Mmes. Bartholomew, Hopp and Martin and Messrs. Foster, Murdy, Osborne, Quinn, Van Leeuwen and Wilcox, representing nine of our 10 directors, satisfies the general independence criteria and is independent within the meaning of such term under our corporate governance guidelines. The tenth director, Mr. Hockema, cannot meet the independence requirement as our President and Chief Executive Officer. In making such determination, the board of directors considered the relationships that each of the directors had with our company and all other facts and circumstances the board of directors deemed relevant in determining the independence of each of the directors in accordance with the general independence criteria.

#### Annual Performance Reviews

Under our corporate governance guidelines, our board of directors is required to conduct an annual self-evaluation to determine whether the board of directors and its committees are functioning effectively. Additionally, the charter for each committee of the board of directors requires each committee to annually evaluate its performance. In addition to the evaluation performed by the nominating and corporate governance committee with respect to whether an incumbent director should be nominated for re-election to the board of directors upon expiration of such director's term, the chair of the nominating and corporate governance committee conducts performance reviews of individual directors. In 2013, we further strengthened the performance evaluation process by adding one-on-one interviews with each individual director conducted by a member of our senior management to discuss, among other things, the annual self-evaluation.

#### Stock Ownership Guidelines and Securities Trading Policy

Our stock ownership guidelines require our non-employee directors to own company stock equal to six times their annual base retainer within five years of becoming a member of our board of directors. For purposes of measuring our non-employee directors' compliance with our stock ownership guidelines, restricted stock is valued at the closing price of our common stock on the grant date and all other shares of common stock purchased or acquired are valued at the purchase price of such shares. Currently, each of our non-employee directors, except for Mr. Foster, who was elected to our board of directors in June 2009, satisfies the applicable stock ownership requirements under the stock ownership guidelines. We expect Mr. Foster to meet the stock ownership requirements under the stock ownership guidelines within the applicable five-year period.

Our securities trading policy contains anti-hedging provisions prohibiting our directors and employees, including our named executive officers, from engaging in any speculative transactions involving our securities, including (1) buying or selling puts or calls, (2) short sales, or (3) buying on margin or holding our securities in a margin account.

#### Director Designation Agreement

On July 6, 2006, we entered into a Director Designation Agreement with the USW under which the USW has certain rights to designate director nominees. The rights of the USW under the Director Designation Agreement are currently set to expire on September 30, 2015. Under the Director Designation Agreement, the USW has the right to designate the minimum number of director candidates necessary to ensure that, assuming the nominated candidates are elected by our stockholders, at least 40% of the members of our board of directors have been nominated by the USW in accordance with the Director Designation Agreement. The Director Designation Agreement contains requirements as to the timeliness, form and substance of the notice the USW must give to the nominating and corporate governance

committee in order to nominate candidates. The nominating and corporate governance committee is required to determine in good faith whether each properly submitted candidate satisfies the qualifications set forth in the Director Designation Agreement. Pursuant to the terms of the Director Designation Agreement, if the nominating and corporate governance committee determines that a nominated candidate satisfies the qualifications, the committee will, unless otherwise required by its fiduciary duties, recommend the candidate to our board of directors for inclusion in the slate of directors to be recommended by the board of directors in our proxy statement. Similarly, the board of directors will, unless otherwise required by its fiduciary duties, accept the recommendation and include the candidate in the slate of directors that the board of directors recommends.

The Director Designation Agreement also provides that the USW will have the right to nominate an individual to fill a vacancy on the board of directors resulting from the death, resignation, disqualification or removal of a director nominated by the USW. The Director Designation Agreement further provides that, in the event of newly created directorships resulting from an increase in the number of our directors, the USW will have the right to nominate the minimum number of individuals to fill the newly created directorships necessary to ensure that at least 40% of the members of the board of directors have been

nominated by the USW. In each case, the USW, the nominating and corporate governance committee and the board of directors will be required to follow the nomination and approval procedures described above.

A candidate nominated by the USW may not be an officer, employee, director or member of the USW or any of its local or affiliated organizations as of the date of his or her designation as a candidate or election as a director. Each candidate nominated by the USW must also satisfy:

- the general independence criteria;

- the qualifications to serve as a director as set forth in any applicable corporate governance guidelines adopted by the board of directors and policies adopted by the nominating and corporate governance committee establishing criteria to be utilized by it in assessing whether a director candidate has appropriate skills and experience; and

- any other qualifications to serve as director imposed by applicable law.

Finally, the Director Designation Agreement provides that, so long as our board of directors maintains an audit committee, executive committee or nominating and corporate governance committee, each of these committees will, unless otherwise required by the fiduciary duties of the board of directors, include at least one director nominated by the USW (provided at least one director nominated by the USW is qualified to serve on the applicable committee as determined in good faith by the board of directors). Current members of our board of directors that have been nominated by the USW are Ms. Bartholomew and Messrs. Foster, Quinn and Wilcox.

#### Board Leadership Structure and Risk Oversight

Mr. Hockema, our President and Chief Executive Officer, serves as the Chairman of the Board, and Dr. Osborne serves as our Lead Independent Director. We believe that Mr. Hockema's experience with our company and in the metals industries, the independence of the other directors, our governance structure and the interaction between and among Mr. Hockema, our Lead Independent Director and the other directors make our board leadership structure the most appropriate for our company and our stockholders. As a result of his substantial experience with our company and in the metals industries, Mr. Hockema is uniquely qualified to provide clear leadership for our company and a single point of accountability. Our corporate governance guidelines and governance structure require an Independent Lead Director selected by a majority of the independent directors, thereby ensuring that there is independent leadership within our board of directors and allowing our independent directors to function as a body distinct from management and to evaluate the performance of Mr. Hockema and our management independently and objectively. In addition, each of the audit, compensation and nominating and corporate governance committees consist solely of independent directors.

Under our corporate governance guidelines, each member of our board of directors may submit items to be included on the agenda for any meeting of our board of directors and raise subjects that are not on the agenda at any meeting of our board of directors, and our independent directors are required to meet at least quarterly in executive sessions at which only independent directors are present. Our Lead Independent Director establishes the agenda for executive sessions, may call a meeting of independent directors upon the request of a majority of independent directors and serves as a liaison between our independent directors and our chief executive officer. Our Lead Independent Director has other responsibilities that the independent directors designate, presides at meetings of our independent directors, solicits advice and input from our independent board members, and routinely meets and confers with our chief executive officer to address comments, issues and areas of interest expressed or identified by our independent directors, to assess the governance of our board of directors and our company, and to review board responsibilities, meeting schedules, meeting agenda and information requested or otherwise provided to our directors routinely or in connection with meetings of our board of directors. The chair of each committee of our board of directors serves as a



liaison to keep the full board of directors and our chief executive officer apprised of the work performed by such committee at each of our regularly scheduled board meetings and as otherwise required. Finally, under our Bylaws, special meetings of our board of directors may be called by a majority of the board members, nine of 10 of whom are currently independent.

We encourage direct communication among our directors and with our chief executive officer before, during and after formal board and committee meetings and facilitate those communications around our scheduled meetings. Our directors also have full access to our officers, employees and advisors. The nominating and corporate governance committee of our board of directors is specifically charged with responsibility for, among other things, identifying new director candidates, evaluating incumbent directors, evaluating our chief executive officer, evaluating stockholder recommendations, recommending nominees for election at annual stockholder meetings, reviewing our corporate governance guidelines and assisting in management succession.

We have policies in place to identify, assess and manage potential risks and to continually review the procedures that we have designed and implemented to mitigate such risks. We believe that our board of directors provides effective oversight of the risk management function. Under its charter, the audit committee of our board of directors is responsible for discussing our management policies, including, without limitation, the steps to be taken to monitor and control our major financial risk exposures. In addition, our full board of directors is actively engaged in the review and assessment of our risk management policies, conducts a comprehensive review at least annually during a regularly scheduled board meeting and routinely requests that specific risk-related items be included on board and committee meeting agendas. In 2009, we began an enterprise risk management project to formally identify, categorize and assess our risks and risk mitigation strategies and routinely report the status of the project to the audit committee and the full board of directors. This process is continuing.

#### Risks Arising from Compensation Policies and Practices

Our compensation policies and practices, discussed more fully below, are designed to create and maintain alignment between our employees and stockholders by rewarding employees, including our senior management, for achieving strategic goals that successfully drive our operations and enhance stockholder value and to preclude the taking of unreasonable risk through the use of incentive compensation that rewards decisions that result in strong performance in both the short- and long-term. We do not believe that our compensation policies and practices for our employees are likely to have a material adverse effect on our company. Our determination is based on, among other factors, the following:

- Potential payouts under our incentive plans are capped, and overall variable compensation does not materially impact our financial results;

- Our overall compensation is comprised of a mix of long- and short-term compensation which discourages short-term decisions that could be at the expense of long-term results;

- A significant portion of the variable compensation is in the form of restricted stock and performance shares with three-year vesting and performance periods, which ensure that three years of unvested grants are outstanding at any time and encourage decisions that create long-term value for our stockholders;

- All of our incentive programs contain clawback provisions, described in more detail in the “Executive Compensation - Employment-Related Agreements and Certain Employee Benefit Plans - Equity Incentive Plan” section of this Proxy Statement, which provide for the forfeiture of outstanding unvested awards and the return of vested awards;

- Our short-term incentive plan and our performance shares require the attainment of a threshold company performance levels before any payments are earned or performance shares vest; and

- Our stock ownership guidelines require our board of directors and senior management to retain significant equity interests in our company to ensure the ongoing alignment of senior management and our stockholders.



## Board Committees

Currently, we have four standing committees of the board of directors: an executive committee; an audit committee; a compensation committee; and a nominating and corporate governance committee.

The following table sets forth the chair and members of each committee of the board of directors, the number of meetings each committee held during 2012, and the number of times each committee acted by unanimous written consent.

Committee	Members	Number of Meetings Held in 2012	Number of Times Acted By Unanimous Written Consent
Executive Committee	Jack A. Hockema* Teresa A. Hopp Brett E. Wilcox	-	4
Audit Committee	Carolyn Bartholomew David Foster Teresa A. Hopp* Lauralee E. Martin Alfred E. Osborne, Jr. Thomas M. Van Leeuwen Brett E. Wilcox	10	-
Compensation Committee	Lauralee E. Martin William F. Murdy* Jack Quinn Thomas M. Van Leeuwen Brett E. Wilcox	8	1
Nominating and			