

BOARD OF TRUSTEES
KAISER ALUMINUM SALARIED RETIREES VEBA TRUST
60 WESTWOOD DRIVE
KENTFIELD, CA 94904

June 19, 2013

Dear Fellow Retiree or Surviving Spouse and Family:

Summary Annual Report

We are pleased to enclose a copy of our 2012 Summary Annual Report for the Kaiser Aluminum Salaried Retirees VEBA Plan (Plan). The value of VEBA Plan assets, after subtracting the liabilities of the VEBA Plan, was \$57,039,339 as of December 31, 2012, compared to \$53,921,503 as of January 1, 2012. The VEBA Plan had total additions of \$9,035,242 including contributions of \$2,936,250 from Kaiser Aluminum, and investment gains of \$6,098,992. VEBA Plan expenses for 2012 were \$5,917,406, consisting of \$522,873 in administrative expenses (down from \$591,437 in 2011) and the balance in benefits paid.

VEBA Plan Benefits Paid

The VEBA Plan paid out \$5,394,453 in benefits during the year, down from \$5,849,059 in 2011. The amount of benefits paid out during the year was less than the maximum available, as a number of enrolled retirees and surviving spouses did not claim the full amount of the 2011 benefits to which they were entitled prior to the December 31, 2012 deadline for doing so. **A number of retirees and surviving spouses who were enrolled in the Plan prior to December 31, 2012 and are entitled to claim the \$2,100 benefit for the 2012 Plan year have not yet done so. The 2012 Plan year benefit must be claimed before the December 31, 2013 deadline in order for it to be paid. Please check your records to be sure that you claim your benefit before this deadline, if you have not already done so.**

VEBA Plan Enrollment

Enrollment in the VEBA Plan during the year remained at approximately 92% of eligible Family Units consisting of salaried retirees, spouses, surviving spouses, and dependents (Eligible Participants). From time to time we receive inquiries concerning the eligibility of an individual to participate in the VEBA Plan. Because eligibility depends upon the length of a salaried retiree's service with Kaiser Aluminum, we must rely upon the information provided by Kaiser in conjunction with the database we previously acquired from Kaiser. Additionally, the Board of Trustees has obtained further information regarding eligible recent retirees and has notified them of their rights under the Plan. We will continue to work to assure that everyone who is eligible to participate in the VEBA Plan has an opportunity to do so and to receive the benefits to which they are entitled.

Notice of Privacy Practices

We also have enclosed an updated Notice of the Kaiser Aluminum Salaried Retirees VEBA Trust Privacy Practices. As a part of the sweeping federal changes in health care reform laws, Congress also

modified the Health Insurance Portability and Accountability Act to strengthen the rules regarding protected health information. This notice reflects these changes.

VEBA Plan Third Party Administrator

As you are aware, the VEBA Plan has engaged **Delta Fund Administrators, LLC** (Delta) to act as the Third Party Administrator of the VEBA Plan.

The Trustees have delegated the responsibility and authority for the day-to-day administration of the VEBA Plan to Delta, such as maintenance of a list (furnished initially by Kaiser) of persons eligible to participate in the VEBA Plan, distributing and receiving enrollment and benefit materials, creating and maintaining a list of persons enrolled in the VEBA Plan and entitled to benefits, if any, paid under the VEBA Plan, receiving and validating benefit payment requests (if and when the Board of Trustees declares benefits payable under the VEBA Plan), issuing benefit payment checks, and responding to inquiries.

If you have questions concerning the VEBA Plan or require an enrollment or benefit claim form or additional information concerning the VEBA Plan, please contact Delta at the following mailing address, telephone number or e-mail address:

Delta Fund Administrators, LLC
P.O. Box 2308
Stockton, CA 95201-2308
Tel.: Toll-Free (888) 344-8322
E-mail: VEBA@Deltafund.com

For Federal Express Delivery:
Delta Fund Administrators, LLC
1234 West Oak Street
Stockton, CA 95203

Changes of Address

We are finding it increasingly difficult to trace the whereabouts of Eligible Participants who forget when they move to advise the Third Party Administrator of their change of address or to leave a current mail forwarding notice with the U.S. Post Office.

When you move, please remember to notify Delta of your change of address so that you receive timely information concerning the VEBA Plan. If we cannot locate you, you may miss important filing deadlines and, by doing so, will not be able to receive the benefits to which you are entitled.

Sincerely,

The Board of Trustees of the Kaiser Aluminum Salaried Retirees VEBA Trust

Douglas G. Allen,
Trustee

John E. Daniel,
Trustee

Arthur S. Donaldson,
Trustee

Enclosures