



November 5<sup>th</sup>, 2021

### METAL PRICE METHODOLOGY CHANGE ANNOUNCEMENT

Dear Valued Customer:

Kaiser Aluminum announces a change in the pricing methodology of the metal component for all products. This methodology change will impact all products, agreements and contracts where a discrete metal value or values (metal pass through, metal band and firm metal contracts) are identified as part of the price. This new contained metal methodology will be effective for all existing and new orders shipping on or after December 1<sup>st</sup>, 2021.

The metal component used as part of the price will be calculated based upon the compositional weight of the major alloying elements multiplied by the per pound price of the appropriate index with the resulting totals summed to the nearest tenth of one cent per pound (\$0.001/LB).

An example of the change in methodology in alloy 6061 (comparing September 2021 to October 2021) is shown below for illustrative purposes:

6061 Alloy Elements	Index	Content	September 2021		October 2021		Monthly Adjustment
			Index Price	Contained Metal	Index Price	Contained Metal	
Aluminum	Platts US Midwest Transaction	98.12%	\$ 1.635	\$ 1.604	\$ 1.687	\$ 1.655	\$ 0.051
Copper	Comex 1st Position High Grade (HG)	0.28%	\$ 4.229	\$ 0.012	\$ 4.436	\$ 0.012	\$ -
Magnesium	Platts US Spot Western	1.00%	\$ 4.436	\$ 0.044	\$ 7.375	\$ 0.074	\$ 0.030
Silicon	Platts 553 Grade Del US Midwest	0.60%	\$ 1.806	\$ 0.011	\$ 3.738	\$ 0.022	\$ 0.011
		100.00%		\$ 1.671		\$ 1.763	\$ 0.092

Pricing of the monthly aluminum and alloying elements and their historical index values will be posted to Kaiser’s website [www.kaiseraluminum.com](http://www.kaiseraluminum.com) .

The attached additional examples and information are provided for clarification.

We remain committed to being **your preferred supplier**. If you have any questions with regard to this announcement, please contact your Kaiser Regional Sales Manager. As always we appreciate your continued support.

Sincerely,

Ronald J. Weiss, Jr.  
Vice President – Marketing

Additional alloy examples:

2024 Alloy Elements	Index	Content	September 2021		October 2021		Monthly Adjustment
			Index Price	Contained Metal	Index Price	Contained Metal	
Aluminum	Platts US Midwest Transaction	94.15%	\$ 1.635	\$ 1.539	\$ 1.687	\$ 1.588	\$ 0.049
Copper	Comex 1st Position High Grade (HG)	4.35%	\$ 4.229	\$ 0.184	\$ 4.436	\$ 0.193	\$ 0.009
Magnesium	Platts US Spot Western	1.50%	\$ 4.436	\$ 0.067	\$ 7.375	\$ 0.111	\$ 0.044
		100.00%		\$ 1.790		\$ 1.892	\$ 0.102

7075 Alloy Elements	Index	Content	September 2021		October 2021		Monthly Adjustment
			Index Price	Contained Metal	Index Price	Contained Metal	
Aluminum	Platts US Midwest Transaction	90.30%	\$ 1.635	\$ 1.476	\$ 1.687	\$ 1.523	\$ 0.047
Copper	Comex 1st Position High Grade (HG)	1.60%	\$ 4.229	\$ 0.068	\$ 4.436	\$ 0.071	\$ 0.003
Magnesium	Platts US Spot Western	2.50%	\$ 4.436	\$ 0.111	\$ 7.375	\$ 0.184	\$ 0.073
Zinc	London Metal Exchange	5.60%	\$ 1.380	\$ 0.077	\$ 1.529	\$ 0.086	\$ 0.009
		100.00%		\$ 1.732		\$ 1.864	\$ 0.132

7050 Alloy Elements	Index	Content	September 2021		October 2021		Monthly Adjustment
			Index Price	Contained Metal	Index Price	Contained Metal	
Aluminum	Platts US Midwest Transaction	89.25%	\$ 1.635	\$ 1.459	\$ 1.687	\$ 1.506	\$ 0.047
Copper	Comex 1st Position High Grade (HG)	2.30%	\$ 4.229	\$ 0.097	\$ 4.436	\$ 0.102	\$ 0.005
Magnesium	Platts US Spot Western	2.25%	\$ 4.436	\$ 0.100	\$ 7.375	\$ 0.166	\$ 0.066
Zinc	London Metal Exchange	6.20%	\$ 1.380	\$ 0.086	\$ 1.529	\$ 0.095	\$ 0.009
		100.00%		\$ 1.742		\$ 1.869	\$ 0.127

The following alloy composition contents will be used to calculate contained metal values. For alloys not listed, please contact your Regional Sales Manager

Alloy	Aluminum	Copper	Magnesium	Silicon	Zinc	Nickel	Tin	Lead	Bismuth
2011	93.60%	5.50%		0.20%				0.30%	0.40%
2024	94.15%	4.35%	1.50%						
2124	94.15%	4.35%	1.50%						
2219	93.70%	6.30%							
4032	84.90%	0.90%	1.05%	12.25%		0.90%			
6061	98.12%	0.28%	1.00%	0.60%					
6063	98.92%		0.68%	0.40%					
6082	98.10%		0.90%	1.00%					
7075	90.30%	1.60%	2.50%		5.60%				
7175	90.30%	1.60%	2.50%		5.60%				
7050	89.25%	2.30%	2.25%		6.20%				
7475	90.50%	1.55%	2.25%		5.70%				

The monthly average for the following indices will be used to calculate the contained metal values.

Aluminum	Platts US Midwest Transaction
Copper	Comex First Position High Grade (HG)
Magnesium	Platts US Spot Western (MMAHMO3)
Silicon	Platts 553 Grade Delivered US Midwest (MMAUM03)
Zinc	London Metal Exchange cash settlement
Nickel	London Metal Exchange cash settlement
Tin	London Metal Exchange cash settlement
Lead	London Metal Exchange cash settlement
Bismuth	Argus

Note: With exception of Aluminum, the minimum value for each alloying element in the contained metal calculation will be set utilizing the January 2020 monthly average. In no case shall an alloying elemental index average used for the contained metal calculation be less than the January 2020 monthly average.