STANDARD POLICY

SUBJECT/TITLE: KENNAMETAL INC. GLOBAL ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

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This page is a record of all revisions of the Policy.

For convenience, the nature of the revision is briefly noted under remarks. Please review the attached policy to assure complete understanding of all relevant changes, additions, or deletions. Unless otherwise stated, this revision should be implemented upon receipt.

<table>
<thead>
<tr>
<th>REV</th>
<th>BY</th>
<th>PAGES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>DWG</td>
<td>1-10</td>
<td>Original Release.</td>
</tr>
<tr>
<td>01</td>
<td>PJW</td>
<td>1-11</td>
<td>Revision</td>
</tr>
<tr>
<td>02</td>
<td>SAR</td>
<td>1-11</td>
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</tr>
</tbody>
</table>

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<th>REV</th>
<th>ISSUED BY</th>
<th>APPROVED BY</th>
<th>APPROVAL DATE</th>
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<td>Roxanne Turner</td>
<td>David W. Greenfield</td>
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<td>Paul J. Ward</td>
<td>Kevin G. Nowe</td>
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<td>Seth A. Rice</td>
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</table>

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GLOBAL ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

I. SCOPE AND APPLICABILITY

The Global Anti-Corruption and Anti-Bribery Policy (the “Policy”) applies to all directors, officers and employees of Kennametal Inc., its subsidiaries and affiliated companies (the “Company” or “Kennametal”) and its sales agents, representatives, and distributors globally (collectively referred to as “Third Parties”). All other parties providing goods or services to Kennametal anywhere in the world are subject to the Global Sourcing Policy, which includes compliance with Global Anti-Corruption Laws (defined below) and applicable Company policies and procedures.

This Policy, Kennametal’s Code of Conduct, and information on how to contact the Office of the General Counsel or report a question or concern is available on Kennametal’s external ethics and compliance website at https://www.kennametal.com/en/about-us/ethics-and-compliance.html or https://secure.ethicspoint.com/domain/media/en/gui/48375/index.html.

This Policy and all global compliance policies and procedures issued by the Office of Ethics and Compliance are available to all team members on the Policies SharePoint site accessible from The Hub intranet global homepage.

II. DEFINITIONS

“Government Official” broadly includes an officer or employee of a government or any department, agency, or political party of a government, any official of a political party or candidate for political office or of a public international organization (such as the United Nations), or any person acting in an official capacity for or on behalf of any of them. An employee of a state owned or public sector enterprise or company may be a “government official” under the U.S. Foreign Corruption Practices Act and other Global Anti-Corruption Laws.

“Global Anti-Corruption Laws” broadly includes all applicable local, national, and international anti-corruption and anti-bribery laws and regulations, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act of 2010, and any updates or amendments thereto.
III. COMMITMENT TO COMPLIANCE

Kennametal is committed to complying with all applicable Global Anti-Corruption Laws wherever it operates. It is the responsibility of all Kennametal directors, officers, employees and Third Parties to know about, understand and comply with such laws and regulations in all aspects of Kennametal’s business. This includes compliance with rules requiring the complete and accurate maintenance of financial books, records, and accounts involving both foreign and domestic payments and transactions.

To ensure a consistent global standard of conduct, Kennametal strictly prohibits its directors, officers, employees, and Third Parties from offering, accepting, or promising to offer or accept (for both Government Officials and private parties), bribes, improper payments, or inducements of any kind to obtain or retain business, or to gain an unfair business advantage. This policy applies across all Kennametal operations regardless of whether or not the conduct may be lawful in a given country or location.

Kennametal is committed to complying with all applicable Global Anti-Corruption Laws that apply to its operations. By law, as a United States (“U.S.”) based company, all Kennametal directors, officers, and employees, regardless of citizenship or location, must comply with the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). Additionally, because Kennametal has business operations in the United Kingdom (“U.K.”), all Kennametal directors, officers, and employees must comply with the U.K. Bribery Act of 2010 (“UK Bribery Act”).

Questions regarding this Policy, Global Anti-Corruption Laws, or whether an action or decision is permissible, must be directed to the Office of the General Counsel prior to proceeding with any action or decision. See the “Obligation to Report” section of this Policy for more information on how to obtain guidance.

IV. REPORTING CONCERNS & SEEKING GUIDANCE

A. Who Must Report:
   1. Employees: Employees must immediately report any suspected or actual violations of Global Anti-Corruption Laws, this Policy, or the Code of Conduct to Kennametal’s Office of the General Counsel. Once an employee has made a report, the employee also has an obligation to update the report as new information comes into his or her possession.

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Under no circumstances shall the reporting of any such information serve as a basis for retaliatory actions against the employee making the report if that employee has acted in good faith. See Kennametal’s Non-Retaliation and Reporting Policy, available on the Policies SharePoint site.

2. Third Parties: All Third Parties are expected to report any suspected or actual violations of Global Anti-Corruption Laws or this Policy to either their Kennametal business contact or Kennametal’s Office of the General Counsel.

B. How to Report:
   1. Office of the General Counsel: 600 Grant Street, Suite 5100, Pittsburgh, PA U.S.A. 15219; +1 (412) 248-8309 or +1 (412) 248-8275; k-corp.ethics@kennametal.com

   2. Kennametal Helpline (reports can be made anonymously where allowed by law) https://kennametal.ethicspoint.com or by calling the telephone access number for your country on Kennametal’s external ethics and compliance website (https://www.kennametal.com/en/about-us/ethics-and-compliance.html).

V. IMPROPER PAYMENTS AND BUSINESS COURTESIES

A. Prohibition on Improperly Influencing Business Decisions

   1. Payments, Business Courtesies (including gifts and entertainment) or “Anything of Value”: no offers, payments, promises to pay or authorizations to pay any money, make any business courtesies or provide anything of value may be made by or on behalf of the Company to any Government Official, government-owned (or even partially government-owned) company, private company or anyone affiliated with a private company doing business with Kennametal anywhere in the world, except when authorized by this Policy and the Global Business Gifts and Entertainment Policy (posted on the Policies SharePoint site on The Hub).
All gifts and entertainment involving government officials or government-owned entities are prohibited, regardless of value, unless advance written approval is provided by the Office of the General Counsel.

The following are prohibited activities under this Policy:

(i) Improperly influencing any act or decision of such person or party in his, her or its official capacity;

(ii) Improperly inducing such person or party to do or omit to do any act that violates that person’s or party’s lawful duty; or

(iii) Improperly inducing such person or party to use influence with a government or organization to affect or influence any act or decision of such government or organization.

2. Level of Knowledge Required for a Violation of Law: Actual knowledge of a violation is not required to violate the Global Anti-Corruption Laws. If an individual knows or has reason to know that an illegal act is likely to occur or is aware of a high probability of the existence of corrupt conduct by a Third Party, there may be a violation of one or more of the Global Anti-Corruption Laws. Deliberate avoidance of knowledge, willful blindness or conscious disregard of such knowledge may result in both the Company and the individual being deemed to have knowledge of the unlawful action.

3. Red Flags of Potential Corrupt Activity: the following are examples of activity that may indicate a "high probability" of a Global Anti-Corruption Law violation and must be promptly brought to the Office of the General Counsel for further guidance:

- Excessive commissions to third-party agents or consultants;
- Unreasonably large discounts to third-party distributors;
- Third-party ‘consulting agreements’ that include only vague descriptions of service;
- Third-party consultant is in a different line of business than that for which it has been engaged;
- Third-party is related to or closely associated with a Government Official;
- Third-party became part of the transaction at the express request or insistence of a Government Official;

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B. Prohibition on Facilitation Payments

A “facilitation payment” (also known as a “grease payment”) is a small payment to a government official or clerk, which is primarily made for the purpose of expediting or ensuring the performance of a routine, non-discretionary government function. Facilitation payments are illegal under some Global Anti-Corruption Laws, and Kennametal therefore prohibits facilitation payments. A few examples of situations where facilitation payments may occur in order to expedite a function, yet are prohibited include: (i) obtaining permits or travel visas; (ii) connecting electricity or telephone service; and (iii) obtaining police protection. Immediately contact the Office of the General Counsel with any questions regarding facilitation payments.

C. Gifts, Entertainment and Hospitality

Kennametal prohibits offering or promising to offer improper gifts, entertainment and hospitality, such as the payment of hotel, transportation, meal and entertainment expenses, to both government and private company officials. Kennametal’s Global Business Gift and Entertainment Policy (posted on the Policies SharePoint site on The Hub) defines when and how gifts and entertainment can be offered and accepted by Kennametal employees. Under approved circumstances, certain reasonable hospitality, nominal gifts and entertainment may be offered for legitimate business purposes.

Gifts, entertainment and hospitality must be:

- In compliance with Kennametal’s Global Business Gifts and Entertainment Policy (with necessary pre-approvals, where required) and the Company’s Code of Conduct;

- In compliance with applicable Kennametal travel and expense policies;

- Directly related to the Company’s business, be of a reasonable amount, and provided in good faith;
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Risk appropriate due diligence and on-going monitoring of Third Parties is required by this Policy, as specified in more detail below. Attachment A of the Policy defines the risk factors used to evaluate Third Parties and determine appropriate risk-based due diligence steps. The Kennametal business unit or partner is responsible for ensuring the due diligence required by this Policy is completed in coordination with the Office of the General Counsel and Office of Ethics and Compliance.

A. Initial Due Diligence Requirement

All proposed new Third Parties of Kennametal or any of its affiliates globally must complete the anti-corruption risk assessment and due diligence process defined by the Office of Ethics and Compliance (“OEC”) prior to signature of the contract with the proposed business partner. Completion of this due diligence is a required approval step in the electronic contract management workflow process.

It is the obligation of the Kennametal business unit representative to ensure timely and sufficient information, including the initiating due diligence questionnaire, is provided to the OEC to enable the OEC to complete the required anti-corruption due diligence review process for proposed new Third Parties. The level of anti-corruption due diligence required is determined by the proposed Third Party’s risk score: low, medium, or high. The risk score is determined based upon predefined factors established by the Company, including country of operation, sales, projected revenue, potential for government interaction, and affiliations with governmental authorities or officials. The OEC will provide the results of the anti-corruption due diligence review to the Kennametal business representative for review and discuss any notable findings or concerns. The OEC and/or Office of the General Counsel will offer recommendations to the Kennametal business representative on how or whether to complete on-boarding of the Third Party based upon the diligence results and risk factors. Copies of the due diligence report are maintained by the OEC in the global electronic diligence system. All other documentation is maintained by the relevant Kennametal business representative.

Third Party contracts must contain approved anti-corruption and anti-bribery compliance terms and conditions that includes compliance with and reference to this Policy, which is also posted on Kennametal’s external ethics and compliance website in multiple languages.
B. On-going Monitoring and Follow-Up Due Diligence

The Kennametal business representative is required to actively monitor existing Third Parties for compliance red flags, such as those listed in Section V. of this Policy, as well as other indications of suspicious or corrupt activity. Any concerns must be promptly reported to the OEC and/or the Office of the General Counsel so an appropriate investigation can be conducted and mitigation measures implemented.

Once the initial due diligence process is completed by the OEC, Third Parties will be subject to periodic follow-up due diligence (monitoring) during the life of the relationship. The OEC will collaborate with the Kennametal business units to complete periodic due diligence follow-up reviews. The reviews of existing Third Parties will be conducted using risk-based factors.

VIII. DISCIPLINARY ACTION AND LEGAL PENALTIES

Failure of employees to comply with this Policy and associated Company policies and guidelines may result in disciplinary action, up to and including termination of employment from Kennametal.

Significant penalties for both the Company and individuals could result from violations of the Global Anti-Corruption Laws. The following are examples of possible penalties under the FCPA and the UK Bribery Act:

**FCPA**
- Companies
  - Fines of up to US$2 million per violation
  - Debarment from participation in government contracts
  - Loss of export privileges
  - Appointment of an independent compliance monitor
  - Accounting Provisions – Fines of up to $2.5 million per violation

**UK Bribery Act**
- Companies
  - Unlimited financial penalties
  - Debarment from public contracts
  - Asset confiscation proceedings

- Individuals
  - Unlimited financial penalties
  - Imprisonment up to 10 years

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• Imprisonment up to 5 years per violation
• Accounting Provisions – Fines up to US$10 million & 10 years imprisonment

IX. COMPANY POLICY REFERENCES

The following documents are available to all employees on the Legal and Ethics section of the Policies SharePoint site from The Hub:

• Code of Conduct
• Global Business Gifts and Entertainment Policy
• Global Records Management Policy
• Non-Retaliation and Reporting Obligation Policy
• Conflicts of Interest Policy
• Global Sourcing Policy
Attachment A – Summary of Risk Factors and Due Diligence Steps

Anti-corruption due diligence is performed on all new Third Parties as detailed in this Policy. In addition, selected Third Parties are reviewed periodically based on relevant risk factors (e.g. country of operation, government interaction, sales volume, etc.).

The Third Party due diligence process begins with the completion of the due diligence questionnaire by the Kennametal business representative, with input from the proposed Third Party; the questionnaire is maintained by and communicated from the Office of Ethics and Compliance (OEC) to the business units. The responses to this questionnaire are entered into the electronic due diligence platform by the OEC for risk scoring.

The following factors are used to determine the risk score for the Third Party:

- Country of headquarters and countries where product is marketed/sold;
- Expected / historic annual sales revenue;
- Government ownership of the Third Party;
- Sale or marketing of products / services to a government entity; and
- Method of compensation other than Kennametal standard contract terms.

Based on the above factors, a risk score is calculated and assigned to the Third Party. The risk scores are: Low, Medium or High. Based upon the risk scores, due diligence procedures are performed on the Third Party by the OEC and communicated to the Kennametal business representative.

- **Low Risk** will be focused on a continuous assessment of the management team and the company appearing on any government sanctioned party list or the Politically Exposed Persons (PEP) List.
- **Medium Risk**, incorporates the Low Risk screening and also includes assurances from Third Party management that the business is run in a compliant manner; red flags are examined in more detail. A second-level questionnaire that focuses on Third Party business organization, ownership, key personnel, and financials is used for Medium Risk.
- **High Risk**, incorporates both the Low and Medium Risk elements but also includes a detailed comprehensive anti-corruption review, with evidentiary requirements from the Third Party.

Upon successful completion of the anti-corruption due diligence process, the Third Party will receive risk-appropriate anti-corruption compliance awareness training.