

1. General

1.1 These general terms and conditions of purchase apply to all of our business relationships with our sellers and suppliers (hereinafter together referred to as "Suppliers"). In particular, they apply to contracts for the purchase of moveable goods, regardless of whether the Supplier manufactures these itself or purchases them from sub-suppliers or sellers.

1.2 These terms and conditions of purchase apply exclusively. This is also the case in circumstances where, in the knowledge of the Supplier's business terms, we unreservedly place orders or accept deliveries or other forms of performance, or directly or indirectly refer to communications etc. which contain the business terms of the Supplier or third parties. Provisions of the Supplier which deviate from these terms and conditions shall only be incorporated into the contract if they are confirmed in writing by us.

1.3 The Supplier shall state the order number provided by us on all invoices, delivery papers and correspondence.

2. Formation of the contract, changes to the contract

2.1. Orders, agreements and delivery call-offs, as well as any amendments and additions thereto, may only be made in writing. Orders and delivery call-offs may also be made by remote data transmission or telefax. They are binding without being signed by us.

2.2 Individual agreements made with the Supplier in individual cases shall have precedence over these provisions in any event. Subject to any evidence to the contrary, a written contract or our written confirmation shall conclusively determine the content of any such agreement. Clause 2.1 sentence 2 applies correspondingly.

2.3 Offers made by the Supplier, as well as its price quotations, are binding and are not to be remunerated, unless expressly agreed otherwise.

2.4 The price stated in the order is binding. All prices are to be understood as exclusive of statutory value-added tax if tax is not expressly shown. Unless otherwise agreed in the individual case, the price includes all services and ancillary services of the Supplier (e.g. assembly, installation) and all ancillary costs (e.g. proper packing and transport costs, including any transport- and liability insurance).

We are entitled to withdraw our order at any time prior to its acceptance by the Supplier. Delivery call-offs shall become binding if the Supplier does not refuse them within five working days of receiving them.

3. Delivery, delay, contractual penalty

3.1 Unless agreed otherwise, deliveries shall be made in accordance with the "DDP Incoterms 2010" to the address provided in our order or, if no such address is expressly provided, to the delivery address of our respective branch location which placed the order.

3.2 If the Supplier is responsible for installation, assembly or other preparatory activities in respect of the goods, then unless otherwise agreed, and subject to any rules to the contrary, the Supplier shall bear the costs of such preparatory activities – such as inward and outward journeys, the necessary tools and any allowances.

3.3 If agreed delivery times are not adhered to, then if the delivery has still not occurred upon expiry of a grace period specified by us, we are entitled to demand payment of compensation instead of delivery. Our claim shall not be excluded until such compensation has been paid by the Supplier.

3.4 If the agreed delivery period is exceeded, the Supplier shall be automatically in default. In the event of a default, we are entitled to demand a contractual penalty for each commenced working day of the delay in the amount of 0.3%, subject to a maximum of 5%, of the net price of the delayed delivery. We reserve the right to claim compensation in excess of this amount where we can establish that the loss we have suffered is greater. The Supplier reserves the right to establish that no loss has been suffered, or that such loss is significantly lower.

3.5 If the Supplier envisages difficulties in respect of manufacturing the goods, in obtaining the materials therefor, in adhering to the delivery date, or in similar matters which could prevent delivery by the delivery date, or delivery of the agreed quality, the Supplier must notify us without delay, by informing the department of ours which placed the order.

3.6 Part-deliveries are not permitted unless we have expressly consented to them.

4. Rights of use

4.1 The Supplier grants us the non-exclusive, transferrable, world-wide and non-time-limited right to use the goods, to integrate them into other products and distribute them worldwide,

4.2 to use (and let be used) the software and the associated documentation (together referred to below as "Software") in connection with the installation, commissioning, testing and operating of the Software,

4.3 to sub-license the rights of use under this clause to affiliated companies, other distributors and end customers,

4.4 to distribute, rent out, lease out or otherwise dispose of the Software.

5. Payment terms, assignment of receivables

5.1 Insofar as nothing is specifically agreed to the contrary, invoices shall be paid either within 14 days at a discount of 3%, or within 75 days without deduction, in each case from the date on which payment becomes due and the invoice and the goods have been received, respectively the contractual obligations performed. The payment term begins as soon as the delivery has been fully made or contractual performance has fully occurred, and the invoice has been properly submitted and received.

5.2 We shall not be in payment default unless we have failed to pay after the Supplier has submitted a warning subsequent to the due date for payment.

5.3 Assignments of receivables by the Supplier are only permitted with our prior written consent.

6. Warranty

6.1 Subject to the following, the statutory provisions concerning material and legal defects apply.

6.2 The statutory provisions (§§ 377, 381 of the German Commercial Code) and the provisions contained in this paragraph shall apply in respect of our commercial inspection and notification obligations. Our obligations of inspection are limited to defects which become apparent during our incoming goods inspection through external observation of the goods, including the delivery documents, and through our random sampling in the course of our quality control inspections (e.g. damage caused in transit, incorrect- or under-deliveries). Insofar as acceptance is agreed, there shall be no obligation to inspect. Our notification obligations in respect of subsequently discovered defects remain unaffected. In the case of sentence 2 (apparent defects, random sampling), our notification (notice of defect) shall be deemed to have been made without delay if we send it within eight (8) working days from the receipt of the goods. In the case of sentence 4 (subsequent discovery), this time period shall be three (3) working days after discovery.

6.3 In the event of a defect in the goods, we can, in our discretion, require subsequent fulfilment in the form of a removal of the defect (repair) or delivery of a defect-free item (replacement delivery). In such circumstances, we shall be entitled to require both replacement delivery and compensation for the associated necessary expenses including any inspection costs. If the Supplier does not comply with its obligations of subsequent fulfilment by a reasonable deadline stipulated by us, we can eliminate the defect ourselves (self-help) and require the Supplier to compensate us, or make a corresponding advance payment to us, in respect of the associated necessary expenses. If the subsequent fulfilment by the Supplier fails, or if it is not reasonably acceptable to us due to special circumstances (e.g. due to particular urgency, threat to operational safety or the threat of disproportionately high losses), it shall not be necessary to set any deadline (or a second deadline, if applicable). We shall inform the Supplier of such circumstances without delay and, if possible, before we carry out any self-help measures. If it is necessary for us to refuse goods in whole or in part due to non-compliance with the terms stipulated by us, the Supplier must leave the goods with us for further use until an appropriate replacement has been procured, and must do so without being able to make any claim for remuneration.

6.4 In respect of legal defects, the Supplier shall indemnify us from any third-party claims which may arise.

6.5 If we incur costs as a result of the delivery of defective goods – e.g. transport-, road- or work costs, costs of materials or costs of an incoming goods inspection in excess of the usual scope, or for the return and/or scrapping of defective goods, such costs shall be borne by the Supplier.

6.6 For parts of the delivery which are repaired within the limitation period of our defects claims, the limitation period begins at the point in time at which the Supplier has completely fulfilled our rights to subsequent fulfilment.

7. Supplier recourse

7.1 Our statutory rights of recourse within a supply chain (supplier recourse in accordance with §§ 445a, 445b, 478 of the German Civil Code) are available to us in full scope in addition to our defects claims. In particular, we are entitled to require the Supplier to carry out the exact form of cure (repair or

replacement delivery) which we owe to our customer in the individual case. This does not limit our statutory right to choose the form of cure (§ 439 Para. 1 of the German Civil Code).

7.2 Prior to our admitting or fulfilling a defects claim made by our customer (including compensation of expenses in accordance with §§ 445a Para. 1, 439 Paras. 2 und 3 of the German Civil Code), we shall inform the Supplier, providing a short description of the facts, and shall request a written statement of opinion. If no substantiated statement of opinion is provided within a reasonable time period, and if no mutual solution is reached, the claim for defects actually granted by us shall be deemed owed to our customer. In such circumstances, it shall be for the Supplier to prove to the contrary.

7.3 Our rights arising under Supplier recourse shall also apply in circumstances where defective goods are further processed by us or another business, e.g. through incorporation into another product.

8. Manufacturer liability

8.1 If the Supplier is responsible for product damage, it shall indemnify us from the claims of third parties insofar as the cause lay within its sphere of control and organisation and it is itself liable to third parties.

8.2 Within the context of its indemnification obligation, the Supplier is required to compensate us for all expenses in accordance with §§ 683, 670 of the German Civil Code which arise from or in connection with a claim by third parties, including any recall actions carried out by us. Insofar as it is possible and reasonable for us to do so, we shall inform the Supplier of the content and scope of recall measures and provide it with the opportunity to state its opinion. Further statutory rights remain unaffected.

8.3 The Supplier shall take out and maintain product liability insurance with a flat-rate coverage amount of at least EUR 10 million per instance of personal injury / damage to property.

9. Supplier's reservation of title

9.1 The transfer of the goods to us shall be unconditionally and shall not depend on payment of the purchase price by us.

9.2 In the event that, contrary to 9.1, a Supplier's reservation of title is agreed in any individual case, there shall in any event be excluded from it all forms of (a) extended reservation of title, (b) prolonged reservation of title relating to resale, processing or transformation, or (c) transferred reservation of title, so that the reservation of title shall only apply until payment has been made for the goods supplied to us, and shall only apply to those respective goods.

10. Provision of material, manufacturers clause

10.1 We retain title to the material supplied by us for the execution of the order. The Supplier is obliged to separately store and label our property, and to do so free of cost.

10.2 If material provided by us is processed or transformed by the Supplier (§ 950 of the German Civil Code), such processing shall always be deemed carried out for us as manufacturer, in our own name and at our own cost, and we shall directly acquire ownership or – if the processing or transformation is carried out with materials of more than one owner, or if the value of the newly created item is higher than the value of the components provided – joint ownership (fractional ownership) of the newly created item in proportion to the value of the material we have provided to the value of the newly created item. If the material provided by us is combined with other items which are not owned by us within the meaning of § 947 of the German Civil Code, or intermixed or mingled within the meaning of § 948 of the German Civil Code, we shall acquire joint ownership in accordance with the statutory provisions or - if the material provided by us is to be seen as the main item - sole ownership (§ 947 Para. 2 of the German Civil Code) of the newly created item. The Supplier shall hold the newly-created item for us free of charge.

10.3 If we make a down payment or part payment, the Supplier shall use this to pay for items from third parties necessary to manufacture the item which is the subject of the contract. By then it already transfers ownership of those items to us, so that such ownership shall pass to us upon the Supplier's receipt of the items or, at the latest, at the point in time at which the Supplier makes payment to third parties. Insofar as we have not yet acquired ownership of the item, the Supplier transfers to us its contingent right ("*Anwartschaftsrecht*") and its right to obtain ownership.

11. Confidentiality

We retain all proprietary- and intellectual property rights in depictions, plans, drawings, calculations, instructions, product descriptions and other

documents. Such documents are to be used exclusively for the performance of the contract and are to be returned to us upon completion of the contract. The documents are to be kept confidential from third parties – including after the end of the contract. The confidentiality obligation shall only expire if and only insofar as the knowledge contained in the documents has become generally known.

12. Declarations and originating status

In the event that the Supplier makes declarations about the originating status of the subject matter of the contract, it will provide us with a proof of origin which contains all necessary information and is properly signed. The Supplier will enable us to verify the proof of origin with the customs authority and will provide us with the information and confirmations necessary therefor.

13. Provisions relating to export control- and foreign trade data

The Supplier shall comply with all requirements of applicable national and international customs- and foreign trade law. The Supplier shall inform us in writing – at the latest within two weeks of the order being placed, and without delay in the event of any change – of all information and data which the Supplier requires in order to comply with customs and foreign trade laws in connection with exportation, importation and re-exportation.

14. Reservation clause

Our performance of the contract is subject to the condition that such performance is not hindered by virtue of national or international provisions of foreign trade law or any embargos and/or other sanctions.

15. Product-related environmental protection, dangerous goods

If the goods contain product components which are contained in the list of "declarable substances", or are subject to substance-related restrictions or information obligations by virtue of any law (e.g. REACH, RoHS), the Supplier shall declare these substances in the internet data base BOMcheck (www.bomcheck.net) by the time of the first delivery of the goods at the latest. The above only applies in relation to laws insofar as they apply to the location of our business seat or the business seat of the Supplier, or the location of the place for receipt of the goods stipulated by us.

If the delivery contains goods which are to be classified as dangerous goods in accordance with international rules, the Supplier shall inform us of this in writing at the time it confirms the order at the latest.

16. Code of conduct for contractors, security in the delivery chain

16.1 The Supplier is obliged to comply with the laws of all applicable legal systems. In particular, it will not actively or passively, directly or indirectly, participate in any form of bribery, infringement of the fundamental rights of its personnel or child labour. It will assume responsibility for the health and safety of its personnel in the workplace, comply with environmental laws and will demand compliance with this code of conduct by its suppliers as best as possible. Furthermore, it will comply with the Code of Conduct for Suppliers, which is available at

<https://www.kennametal.com/en/about-us/ethics-and-compliance.html>

16.2 The Supplier shall take the necessary organizational measures in accordance with the provisions set out at <https://www.kennametal.com/us/en/about-us/doing-business-with-kennametal/conflict-minerals-statement.html>, in order to exclude breaches in the delivery chain of the provisions relating to the use of conflict materials (Frank-Dodd Act).

16.3 If the Supplier culpably breaches the provisions of this clause, we have the right to withdraw from the contract or terminate it. Insofar as it is possible to eliminate the breach of duty, this right can only be exercised if we have stipulated a reasonable time period for the elimination of the breach of duty and this time period has lapsed without the breach of duty being eliminated.

17. Quality

17.1 In relation to its deliveries, the Supplier shall comply with the recognized technological rules, the applicable safety requirements and the agreed technical data and drawing specifications, in particular, those contained in the order. The Supplier shall maintain a quality management system which, as a minimum, complies with the requirements of the latest version of DIN EN ISO 9001, and which has been certified by an accredited company.

The Supplier shall inform us without delay in the event that the certificate:

- is withdrawn,
- expires without a new certification being obtained,
- is temporarily suspended,
- no new certification is planned.

Through this quality management system, the common goal of “zero defects” is to be achieved. We and the Supplier can agree deviations from this requirement in writing. Changes, including minor changes, in the goods and/or the production process require our prior written consent. Unless otherwise specified, the Supplier shall manufacture and test the goods in accordance with the rules of its quality assurance system prior to delivery.

17.2 Furthermore, in relation to parts specifically identified in the technical documents or by specific agreement (e.g. parts which must be documented), the Supplier shall keep a specific record of when, in what way and by whom such goods were tested for the characteristics requiring documentation and the results of the requisite quality tests. The test documents shall be kept for a minimum of 15 years and shall be provided to us on request.

17.3 For the initial sample test and the testing of characteristics requiring documentation, reference is made to the VDA publication “Sicherung der Qualität von Lieferungen-- , Lieferantenauswahl, Produktionsprozess und Produktfreigabe/ Qualitätsleistung in der Serie” (Securing the Quality of Deliveries - Supplier Selection, Production Process and Product Release / Quality Performance in Series Production), in its respective latest edition. Independently thereof, the Supplier shall test the quality of the goods on a continuing basis. The contract partners shall continually inform each other of any possibilities to improve quality.

17.4 We are not obliged to cross-check the initial samples provided with the initial sample test report. A check may nevertheless take place in individual cases. If, as a result of an incorrect initial sampling, it is necessary to fully or partly repeat it, the Supplier shall reimburse us the additional costs we incur as a result, which shall be calculated on the basis of the precise costs incurred, subject to a minimum flat rate of EUR 300.

17.5 We have the right, at any time, to audit the Supplier with regard to compliance with the contractual and statutory provisions. The Supplier shall provide us with access to its production facilities, storage facilities, and outsourced manufacturing processes, in order to audit the manufacturing- and administrative processes relating to the goods. The Supplier shall be informed of this in writing and shall promptly enable access to its above-named sites, in order to carry out system-, process- or product audits, after prior notice if applicable. In connection with its deliveries, the Supplier shall enable the auditing of its sub-suppliers by us or a third party instructed by us. The Supplier agrees to support us in identifying weaknesses in the sub-supplier structure. It is the Supplier’s responsibility to optimise the identified weaknesses. We can specify quality assurance measures. Reasonable limits are permitted for the purposes of protecting business secrets.

17.6 The Supplier shall inform us in writing as early as possible of any relocations of production, changes to materials, manufacturing processes, supplied parts, data sheets and other documents. The information shall be provided sufficiently promptly and comprehensively for us to assess its implications and to object to it before the respective change begins to apply in relation to the goods. Silence on our part does not release the Supplier from its sole responsibility for the characteristics and reliability of the goods.

17.7 If the Supplier procures preliminary supplies from third parties (sub-contractors) for the manufacture or quality assurance of the goods (materials, software, services, means of manufacturing or testing), the Supplier shall ensure the quality of such preliminary supplies – either by its own means or by contractually incorporating such sub-contractors into the Supplier’s quality assurance system.

18. Jurisdiction and applicable law

18.1 The place of performance of the contract and of jurisdiction is Nuremberg.

18.2 The contractual relationship is governed by German law, excluding the UN Convention on Contracts for the International Sale of Goods.

Note: Data relating to our Suppliers is saved and processed using IT applications, insofar as this is required for the proper implementation of our relationship with them.