

## PRINCIPLES OF SUPPLIER CONDUCT

### OVERVIEW

Kennametal's commitment to integrity extends to its diverse and worldwide supply base. To ensure that suppliers conduct business with a high degree of integrity and in a responsible manner, all of Kennametal's suppliers are expected to conduct their business in a manner consistent with these Principles. Suppliers are also expected to be familiar with the business practices of their suppliers and sub-contractors and ensure they operate within the Principles outlined herein. Failure to abide by these principles may result in discontinuance of business relationships with Kennametal. Particular supplier contracts may contain more specific provisions addressing some or all of these issues.

### KEY EXPECTATIONS

#### Conflicts of Interest

Employees of Kennametal should act in the best interest of the Company, and therefore should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the employee's obligation to act in the best interest of Kennametal. Friendships outside of the course of business are inevitable and acceptable, but suppliers should take care that any personal relationship is not used to influence the Kennametal employee's business judgment. If a supplier employee is a family relation (spouse, parent, sibling, grandparent, child, grandchild, mother- or father-in-law, or same or opposite sex domestic partner) to an employee of Kennametal, or if a supplier has any other relationship with an employee of Kennametal that might represent a conflict of interest, the supplier should disclose this fact to Kennametal or ensure that the supplier employee does so.

#### Gifts, Meals and Entertainment

Employees of Kennametal are prohibited from accepting anything more than modest or nominal gifts, meals and entertainment from suppliers. Ordinary business meals and small tokens of appreciation such as gift baskets at holiday time generally are fine, but suppliers should avoid offering Kennametal employees travel, frequent meals or expensive gifts. Gifts of cash or cash equivalents, such as gift cards, are never allowed.

#### Business and Financial Records

Both the supplier and Kennametal must keep accurate records of all matters related to the supplier's business with Kennametal. This includes the proper and accurate recording of all expenses, payments, and time keeping records, and is particularly critical when a supplier is performing services or supplying goods to Kennametal under a government contract. Errors or omissions should be promptly brought to the attention of Kennametal for reconciliation.

#### Improper Payments

Bribery and kickbacks are illegal and subject to criminal penalties in many countries, including the United States. Bribes, kickbacks and similar payments to government officials, Kennametal employees or agents acting on Kennametal's behalf are strictly prohibited. This prohibition also applies in areas where such activity may not violate local law, and Suppliers should work against corruption in all its forms, including extortion and bribery of any form.

#### Child and Forced Labor

Kennametal will not engage in or support the use of child labor. Suppliers are expected to comply with applicable local child labor laws and employ only workers who meet the applicable minimum legal age requirement for their location. In the absence of local law, suppliers shall not employ children under the age of 14. Kennametal also does not engage in or support the use of forced or involuntary labor, and will not purchase material or services from a supplier utilizing forced or involuntary labor. All Suppliers should ensure their practices do not encourage the use of forced, compulsory, or child labor.

**Work Conditions, Compensation**

Kennametal pays employees a competitive wage. Suppliers are expected to comply with all applicable wage and hour labor laws and regulations governing employee compensation and working hours. Kennametal supports diversity and equal opportunity in employment. Unlawful discrimination in the workplace is not tolerated. Suppliers are expected to comply with all applicable local laws concerning discrimination in hiring and employment practices, and to provide a safe work environment for their employees, while encouraging the elimination of discrimination in respect of employment and occupation throughout the supply chain. Suppliers should also support and respect the protection of international human rights within their sphere of influence and make sure they are not complicit in human rights abuses.

**Environment, Health & Safety**

Kennametal respects the environment and the health and safety of its employees and conducts its operations in compliance with applicable laws and regulations. Suppliers are expected to conduct their operations in a way that protects the environment and supports accident prevention and minimizes exposure to health risks, and to comply with all applicable environmental, health and safety laws and regulations in the countries in which they operate. Suppliers should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and use of environmentally friendly technologies.

**Confidential Information**

Kennametal is dedicated to complying with applicable laws concerning proprietary, confidential and personal information. Suppliers are expected to comply with all applicable laws and regulations governing the protection, use and disclosure of Kennametal proprietary, confidential and personal information; and to respect the proprietary, confidential and personal information of its customers, where such information is provided to the supplier.

**Conflict Minerals**

Seller hereby certifies that no material delivered by Seller to Buyer under any Order contains any substance originating from the Democratic Republic of Congo or any adjoining country that would require disclosure by Buyer under the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rule promulgated thereunder. Seller represents and warrants that it has adopted all appropriate policies and procedures, and taken all necessary measures, in accordance with the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all rules promulgated thereunder, to grant the certification in the preceding sentence. Seller shall flow down the substance of this clause to its suppliers which perform work or provide goods or services under this Order. Such flow down is subject to verification by Buyer.

**CONTACT INFORMATION, REPORTING CONCERNS**

For questions or comments on these Principles of Supplier Conduct, please contact your Global Sourcing representative or the Vice President of Global Sourcing:

Brian Shepard  
Vice President, Global Sourcing  
[Brian.shepard@kennametal.com](mailto:Brian.shepard@kennametal.com)  
1 412-248-8226 (Office)  
1-724-539-5368 (Fax)

Questions or Concerns should be raised using one of the following confidential options:

Telephone: 1-877-781-7319 (Global toll-free, using AT&T Direct Access)  
1-724-539-4031 (Caller Paid)  
1-724-539-3839 (By Fax)  
[k-corp.ethics@kennametal.com](mailto:k-corp.ethics@kennametal.com)

By Mail: Seth A. Rice  
Director, Global Ethics & Compliance  
Kennametal Inc.  
600 Grant Street Suite 5100  
Pittsburgh, PA 15219